



SUSTAINABILITY

GEELY

吉利汽車控股有限公司
GEELY AUTOMOBILE HOLDINGS LIMITED

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

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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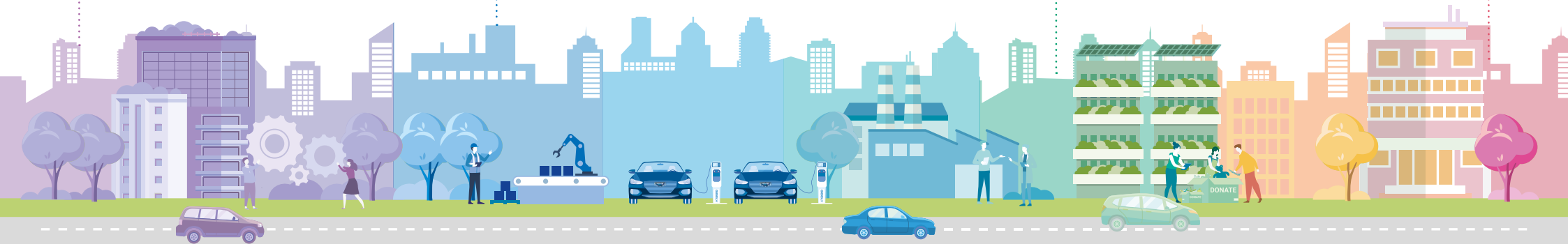
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About this Report



Introduction

Since 2015, Geely Automobile Holdings Limited and its subsidiaries (hereinafter referred to as “the Group”, “Geely Auto” or “we”) have published the contents on its Environmental, Social and Governance (hereinafter referred to as “ESG”), which are included in the Social Responsibility Report of its parent company, Zhejiang Geely Holding Group Company Ltd. and its subsidiaries (hereinafter referred to as “Geely Holding Group”). In order to enable all stakeholders to have a more intuitive and clear understanding of the Group’s ESG performance, we are issuing a standalone ESG report (this “Report”) from this year onwards to present the Group’s strategies and practices in ESG management, technology & innovation, products & services, environmental protection & low-carbon, governance & business ethics, business partners & industrial collaboration, employee rights and benefits, public welfare and charity. The report will be published on an annual basis.

Scope of the Report

Reporting period: This Report covers the period from 1 January, 2020 to 31 December 2020 (hereinafter referred to as the “Reporting Period”, the “current year” or “2020”). To enhance the integrity of this Report, some of its contents cover period before or after the Reporting Period.

Business Scope: This Report covers the Group and its major joint ventures and associates, which include the automobile brands: Geely Automobile, Geometry Automobile and Lynk & Co Automobile. Some contents of this Report also cover Geely Holding Group’s related information.

Reporting Guidelines

This Report is prepared in accordance with the amended *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited. (“HKEX”) on 1 July 2020. Meanwhile, we have referred to: the core options of the *GRI Standards* issued by the Global Reporting Initiative (“GRI”), the *Recommendations of the Task Force on Climate-related Financial Disclosures* (“TCFD”) to disclose information related to climate change, the material issues of *Materiality Map for Automotive Industry* issued by the Sustainability Accounting Standards Board (“SASB”), and the *Guidance on Social Responsibility ISO 26000* issued by the International Organization for Standardization.

Data Source and Description

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

Reliability Assurance and Approval

The Group has not found any false record, misleading statement or material omission in this Report. This Report has been reviewed by the Sustainability Committee and approved by the Board of Directors on 7 May 2021.

Access and Response to the Report

This Report is available in Chinese and English for readers’ reference. In case of any divergence, the Chinese version shall prevail. This Report is published in electronic version only to support environmental protection. This report can be found within the category of *Financial Statements/ESG Information*, on the HKEX news website or the official website of Geely Automobile Holdings Limited (<http://www.geelyauto.com.hk/>).

We value greatly on stakeholders’ opinions, and welcome your feedback which can help to further improve, via email to general@geelyauto.com.hk with subject “ESG Report 2020”.

Message from Chairman of the Board of Directors



The automobile market faced many challenges and opportunities arising from internal and external environments in 2020. Changes in the international environment brought enormous challenges for economic globalization. The outbreak of COVID-19 pandemic had a tremendous impact on economic development and social life. During the Reporting Period, Geely Auto responded to the call for fighting the pandemic and resumption of work and production. We sought for opportunities amidst challenges, and continuously strengthened sustainability and the ability to overturn convention on its own. Meanwhile, Geely Auto widely collaborated with global ecological partners, accelerated the digital transformation, propelled our development by innovation, in order to achieve both economic and sustainable development.



During the last year, Geely Auto produced and sold over a million of vehicles for four consecutive years, and celebrated our first ten millionth customer. After Lynk & Co's launch for three years, we have accumulated more than 400,000 customers and launched a brand-new business model in the European market, which broke many new records of Chinese high-end brands. We were grateful for such exciting results and at the same time, understood that we bore greater corporate responsibilities. Even though last year was full of challenges, we still persisted on promoting our sustainable development.

In product innovation, Geely Auto always persists on creating value for our customers, improving customers' experiences continuously, enlarging investments in research and development, and optimizing our industrial planning. The launch of Sustainable Experience Architecture (SEA), an intelligent pure electric vehicle architecture, will accelerate the development in intelligent electric vehicles, create an exceptional mobility experience, and contribute to global energy savings and emission reduction.

Geely Auto highly recognizes global climate change's risks and opportunities, and actively supports China's efforts to achieve the goal of carbon neutrality before 2060. We have formulated "Two Blue Geely Action Plans", which not only retain advantages in traditional energy-saving and new energy vehicles, but also open up a new prospect for intelligent electric vehicles. This will result in building an environmental friendly mobility ecosystem that aligns with the future trends of clean, green, and sustainability.

In business ethics, Geely Auto abides by the laws and regulations where we operate, respects culture and market discipline, and established a corporate governance structure complying with the listing rules and taking full consideration of shareholders' interest. In talent development, we always persist on the principle of "sufficient authorization, legal compliance, clear assessment, fairness and transparency", and continuously create an environment suitable for the growth of talents and

empower employees to replace hierarchical culture. In industrial collaboration, we constructed a responsible ecological chain of compliance and transparency by close cooperation with suppliers and business partners.

In fulfilment of social responsibilities, Geely Auto worked hand in hand with Li Shufu Charity Foundation and have taken many anti-epidemic measures when facing the sudden COVID-19 pandemic. We ensured employees' safety while put our best effort to help our business partners and actively supported societies to fight against the pandemic. Following the successful ending of "Timely Rain", our targeted poverty alleviation campaign, we will gradually expand the scope to philanthropy, and used more technological advanced methods to achieve our value proposition of "Let the world experience love."

Under the technological revolution, Geely Auto foresees the future in the industry. The boundaries of the automobile industry have been overturned, and the automobiles in the future will highly integrate online and offline modes to form "super intelligent mobility terminals". We take "Four New Modernizations" (i.e., electrification, autonomous driving, connectivity and shared mobility) as the core and grasp the core technological advantages, continuously improve our capabilities in frontier technologies such as new energy, connectivity, autonomous driving, shared mobility, automotive chips, etc. in order to actively plan for an innovative mobility ecosystem in the future.

On behalf of the Board of Directors, I would like to express gratitude to our shareholders, customers, and business partners for their support and all of our employees' concerted efforts. Geely Auto will cooperate with global business partners in the future to boldly contribute to the industrial transformation and high quality development of global mobility.

Li Shu Fu

Chairman of the Board of Directors
7 May 2021

Message from Chairman of the Sustainability Committee



Geely Auto strongly believes that sustainability is an enterprise's essential core element. 2020 was a year full of changes and challenges, but we have never slowed down our sustainable development. We have been persisting on the attitude of "set no limit for ourselves," since the beginning and taking sustainability as the purpose of our innovation and revolution. Meanwhile, we seek for opportunities in challenges and overcome difficulties during our exploration and improvement in sustainability.

To further promote Geely Auto's sustainability, the Board of Directors established the Sustainability Committee in December 2020 which further enhanced the Environmental, Social, and Governance (ESG)'s governance structure. The ESG governance structure consists of the Board of Directors, the Sustainability Committee, ESG working group and supervisory department, and ESG related departments, and we integrated ESG management into various aspects of our operations. At the same time, Geely Auto has been continuously enhancing ESG reporting's disclosure and transparency. For the financial year of 2020, we will disclose our ESG performance in various material issues in an independent ESG report for the first time. During this Report's preparation, we have expanded the collection of stakeholders' expectations and opinions on Geely Auto's ESG performance, which helped to improve the disclosure in the ESG Report and in turn, can help our stakeholders to evaluate our ESG performance more precisely.

Geely Auto strongly believes that corporate development and social development are complementary to each other, and actively giving back to the communities can lead an enterprise to a better future. Geely Auto will continue to take talents as our cornerstone and technology as our core, be customer-oriented, and strive for a green goal in the future. Under the premise of abiding by the laws of various countries and global compliance as well as a grateful heart on taking responsibility and giving back to society, Geely Auto will collaborate with the upstream and downstream of our value chain to actively fulfil social responsibility and support sustainability.



An Cong Hui

Chairman of the Sustainability Committee
7 May 2021

Geely Auto highly recognizes global climate change's risks and opportunities. Based on the changes in the automotive industry and scenarios, "Two Blue Geely Action Plans" have been formed to promote intelligent energy-saving and hybrid vehicles as well as intelligent electric vehicles, which can accelerate the usage of low emission and zero emission vehicles. Taking the "Blue Geely Action Plans" as the core, a special task force has been set up to further formulate and implement technical routes for carbon neutrality, and integrate them in our business strategy. We actively support China's effort to achieve the goal of carbon neutrality before 2060, contribute to global climate change mitigation, and continue to pursue the vision of sustainability leading to better economic development.

The outbreak of COVID-19 pandemic caused tremendous impact to the world in 2020. In the early stage of the pandemic, we have taken many immediate measures to fight against the pandemic. We ensured employees' safety while put our best effort to help our business partners and actively supported societies to fight against the pandemic. Meanwhile, we carefully planned for resumption of work, evaluated our suppliers' delivery capabilities and assisted them, to reduce the pandemic's impact on our operations, which resulted in our work and production being resumed in an orderly manner. Besides this, we made use of our R&D ability and technological advantage, to take the lead in launching CN95 Healthy Cars, which protected our customers' health and safety.



About Us

... 1.0



Founded in
1996



Listed on the Main Board of the Stock Exchange of Hong Kong (stock code: 0175)
Selected as a constituent of Hang Seng Index since 2017
Zhejiang Geely Holding Group is our controlling shareholder



Employees as at the end of 2020
38,000 +

Sales Network of Geely, Geometry and Lynk & Co

Dealers in China: **1,456**

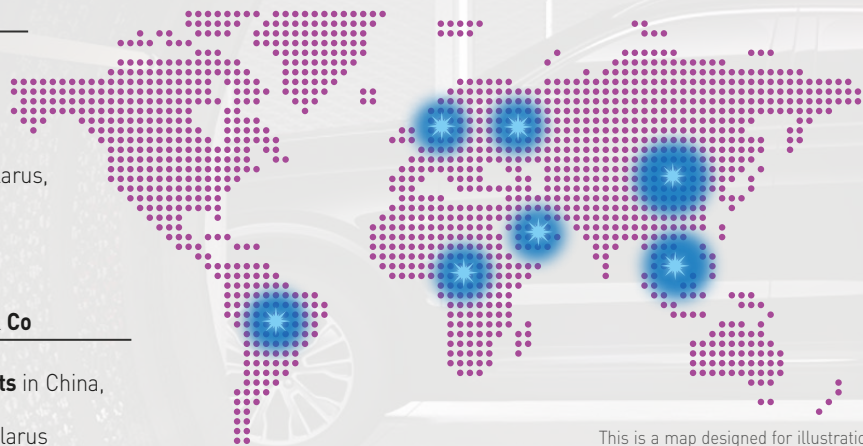
Dealers abroad: **225**

(Mainly in Russia, Saudi Arabia, the Philippines, Belarus, Peru, Chile, Uruguay, etc.)

Lynk & Co Clubs: **2** (Amsterdam and Gothenburg)

Production Plants of Geely, Geometry, and Lynk & Co

Owns **14** production plants and **7** engine plants in China,
1 engine plant and **1** KD plant (associate) in Belarus



This is a map designed for illustration only and is neither drawn to scale nor contains details of an actual map.

MSCI
ESG RATINGS



ccc B BB BBB A AA AAA

As of 2020, Geely Auto received an
MSCI ESG Rating of BBB

A

Hong Kong Quality Assurance Agency (HKQAA)
Sustainability Research and Rating



Hong Kong
Business
Sustainability Index 2019
香港企業可持續發展指數2019



Performer

BRAND

GEELY



Preface - 2021 China Car of the Year

LYNK & CO



Lynk & Co 01 - First product entering European market

GEOMETRY



Geometry C - Pure electric SUV with a driving range of 550km

ZEEKR



Zeekr 001 - First intelligent pure electric car built on Sustainable Experience Architecture (SEA)



From 3.0 Era to 4.0 Era

Four Modular Architectures

BMA



CMA



SPA



SEA



Covering traditional energy-saving, new energy and electrified powertrain

ICE

MHEV

HEV

PHEV


BEV

SALES PERFORMANCE IN 2020:

 <p>Overall sales volume: 1,320 thousand units</p>	
	 <p>Sedans sold: 472 thousand units</p>
	 <p>Sport Utility Vehicles (SUV) sold: 819 thousand units</p>
	 <p>Multi Purpose Vehicles (MPV) sold: 29 thousand units</p>


6.5% wholesale market share in China as at the end of 2020


The best-selling domestic passenger car brand in China for **4** consecutive years


New Energy and Electrified Vehicles (NEEV) sold in 2020:
68,142 units



Please refer to Geely Auto's "Annual Report 2020" for more detailed information on the financial and operational performance of the Group



ESG Management

Geely Auto Focus

Geely Auto highly recognizes the importance of ESG management and actively integrates ESG management into all aspects of enterprise management by strengthening ESG responsibilities at all levels. We sufficiently consider our stakeholders' demands and opinions in our business development process. Taking economic, environmental, and social factors into consideration, we continuously improve the sustainability performance of the Group.

Strategy and Approach

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

Vision

A Sustainable Future, A Better World



Mission

Create an Exceptional Mobility Experience



Core Values

People-Oriented, Innovation, Excellence



... 2.0



2.1 ESG GOVERNANCE

In order to enhance the governance structure, the Board of Directors has approved the establishment of the Sustainability Committee on the 11 December 2020, appointing Executive Director Mr. An Cong Hui as the Chairman of the Sustainability Committee, and Executive Director and Chief Executive Office Mr. Gui Sheng Yue and Independent Non-executive Director Mr. Wang Yang as members of the Sustainability Committee. The Sustainability Committee is responsible for assisting the Board of Directors in overseeing the Group's development in ESG and providing guidance in the implementation of related measures, in order to promote the Group's sustainability. Regarding the Terms of Reference of the Sustainability Committee, please refer to:



http://www.geelyauto.com.hk/core/files/corporate_governance/en/2021022400439.pdf

ESG Mechanism

The Group has established a top-down ESG management structure, which consists of four tiers: the Board of Directors, the Committee, the ESG working group and the supervisory department, as well as the departments relevant to ESG. Various tiers' responsibilities are clearly defined and their tasks are coordinated. Meanwhile, we have consulted the ISO 26000 Guidance on Social Responsibility and strengthened the ESG responsibilities of each tier based on the PDCA (Plan-Do-Check-Act). Taking the economic, environmental, and social factors into consideration in the business development process, we continuously improve the sustainability performance of the Group.



ESG Governance Structure	ESG Roles and Major Responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversee and approve material ESG issues; Discuss the recommendations made by the Sustainability Committee and make decisions.
Sustainability Committee	<ul style="list-style-type: none"> Review sustainability's strategy, risk & opportunities and material issues, and make recommendations to the Board; Monitor the implementation of sustainability strategy and coordinate required resources; Evaluate sustainability's progress and performance, and effectiveness of improvement measures.
ESG working group & supervisory department	<ul style="list-style-type: none"> Support the departments relevant to ESG to set ESG goals and plans; Continuously follow up the requirements of regulators, investors, and rating agencies; Carry out ESG gap analysis and feedback to the relevant departments; Review improve plans made by relevant departments to ensure complying with the requirements; Assist the Committee to carry out monitoring and evaluation.
Departments relevant to ESG	<ul style="list-style-type: none"> Set ESG-related goals and implement the corresponding measures; Carry out self-check to ensure goals are accomplished effectively; Develop improvement plan and integrate into next year's work plan.



By reviewing the ESG work during the Reporting Period, we made improvements in the following areas:

<p>1. Robust ESG Governance Structure</p>	<ul style="list-style-type: none"> The Board of Directors has approved the establishment of the Sustainability Committee; 	<ul style="list-style-type: none"> Improved the ESG governance structure and management mechanism.
<p>2. Board of Directors' Participation in ESG</p>	<ul style="list-style-type: none"> Several ESG topics were sufficiently discussed during the Board meetings, including the Group's ESG goals and plans, gap analysis of performance in ESG-related indices and ratings, benchmarking of peers' best practices, evaluation, and identification of material ESG issues, etc. 	
<p>3. Adequate Personnel and Resource Allocation</p>	<ul style="list-style-type: none"> Hired full-time ESG staff; Set up a specialized ESG working group; 	<ul style="list-style-type: none"> Hired external ESG professional consultants; Executives devoted more time and resources to support ESG work.
<p>4. ESG Training</p>	<ul style="list-style-type: none"> In March 2020, the Board of Directors and senior management participated online training course "Exchange's new ESG requirements" conducted by the Hong Kong Stock Exchange, covering six material issues, namely the Exchange's new ESG requirements, board governance, reporting principles and boundary, setting targets, climate change and social key performance indicators; In July 2020, the ESG working group conducted an internal training, in which executive director, senior management and employees participated and learned about the latest trends in sustainability, including sustainable investment and ESG rating, climate change mitigation and ESG risks, the latest development of ESG in the international and Chinese markets, etc. Future directions for ESG improvements were also discussed; 	<ul style="list-style-type: none"> In October 2020, we invited third-party professional institution to provide training to the departments relevant to ESG on the background and importance of ESG, as well as the Stock Exchange's new ESG requirements. At the same time, we organized the departments to conduct ESG data collection training, including qualitative and quantitative information data, so that our departments would have a better understanding of the ESG factors in their business operations, and continue to promote ESG data collection and management.








In the coming year, we will further strengthen ESG governance, clarify the roles and responsibilities of relevant departments, and deepen responsibilities in ESG supervision. In addition, we have set up task forces for climate change and carbon emission reduction plans to speed up the implementation of related work and further enhance the transparency of ESG information. Furthermore, we will strengthen the quantitative goal setting of the departments relevant to ESG and disclose more details on these goals and the status of accomplishment in the future reports, to further improve the transparency of ESG disclosure.



2.2 STAKEHOLDER ENGAGEMENT

The Group understands that sustainable development needs the support of all stakeholders. We highly recognize the importance of stakeholder engagement and have formed a regular communication mechanism. During the Reporting Period, we reviewed and summarized the types of stakeholders that are important to the Group's business operations, their concerned issues, as well as communication channels and frequency (as described in the table below). We enhanced stakeholders' understanding of our strategies and measures through various communication channels and provided feedback channels for our stakeholders to put forward their views and expectations, so as to help the Group to continue improving its management mechanism.



Stakeholders	Concerned issues	Communication and Feedback Channels	Communication Frequency
 Investors	<ul style="list-style-type: none"> Energy use and carbon emission Responsible supply chain management Shareholder return 	<ul style="list-style-type: none"> Instant messaging and telephone communication Investor meetings (online / offline) Conferences for result announcement Mailbox for investors Roadshows and reverse roadshows 	<ul style="list-style-type: none"> Weekly Monthly Semi-annually Weekly Irregularly
 Employees	<ul style="list-style-type: none"> Product quality and safety Energy use and carbon emission Occupational health and safety Safeguarding staff rights and interests 	<ul style="list-style-type: none"> Trainings for employees General Manager Reception Day Employee engagement conferences Employee forums Mailboxes of the Chairman, Labour Union's Chairman, and Secretary of the Commission for Discipline Inspection 	<ul style="list-style-type: none"> Daily (courses available at any time on Geely's internal e-learning platform) Annually Semi-annually/annually Quarterly Weekly
 Dealers	<ul style="list-style-type: none"> Product quality and safety Customer service and satisfaction 	<ul style="list-style-type: none"> On-site visits and surveys Trainings for dealers Customer satisfaction surveys 	<ul style="list-style-type: none"> Monthly Monthly Annually
 Suppliers	<ul style="list-style-type: none"> Responsible supply chain management Product quality and safety Technological innovation and intellectual property rights Corporate governance and risk management 	<ul style="list-style-type: none"> Supplier evaluation Communication on supply quality Supplier trainings 	<ul style="list-style-type: none"> Annually Monthly Monthly/Quarterly
 Customers	<ul style="list-style-type: none"> Product quality and safety Supporting industrial development Customer service and satisfaction Intelligent mobility 	<ul style="list-style-type: none"> Social media (WeChat official account, video account, Weibo account, etc.) Online and offline promotions Customer satisfaction surveys Customer complaint and handling Drivers' club 	<ul style="list-style-type: none"> Daily Monthly Annually Reply within 24 hours subject to actual situation Monthly
 Government and regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Economic performance Emission reduction Providing employment 	<ul style="list-style-type: none"> Communication with and reporting to government Compliance information disclosure 	<ul style="list-style-type: none"> Monthly Monthly
 Communities	<ul style="list-style-type: none"> Philanthropy and volunteer service 	<ul style="list-style-type: none"> Philanthropy projects Targeted poverty alleviation 	<ul style="list-style-type: none"> Monthly Monthly

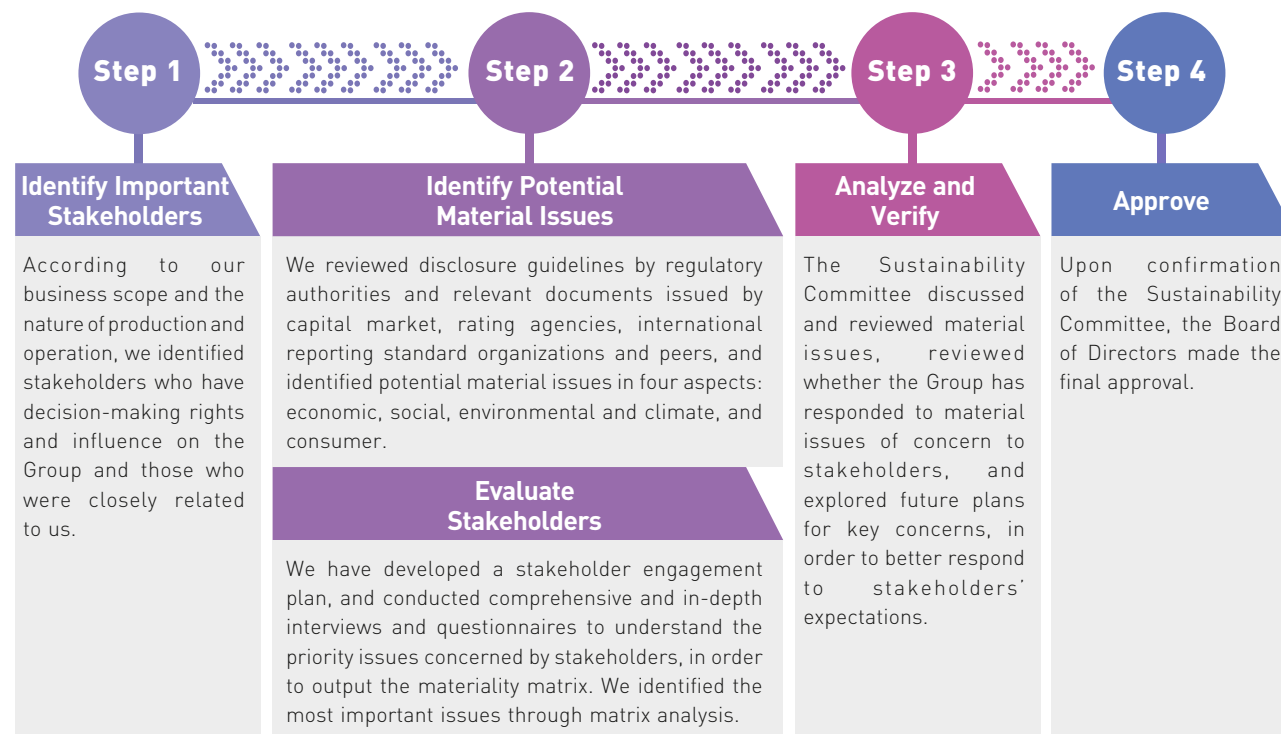
The Group will continue to review the communication mechanism with stakeholders, expand more communication channels with stakeholders in the future, and gradually deepen the discussion on sustainability related issues. We believe that only by working with stakeholders can we accelerate the realization of the Group's sustainability vision.

2.3 ESG MATERIALITY

We gain in-depth understanding on our stakeholders' demands, opinions, and suggestions, integrate their concerns into our operation and decision-making process, and combine ESG with daily operations to drive mutual development. During the Reporting Period, according to our business scope and the nature of production and operation, we identified stakeholders with decision-making rights and influence over the Group as well as those who were closely related to us, as follow:



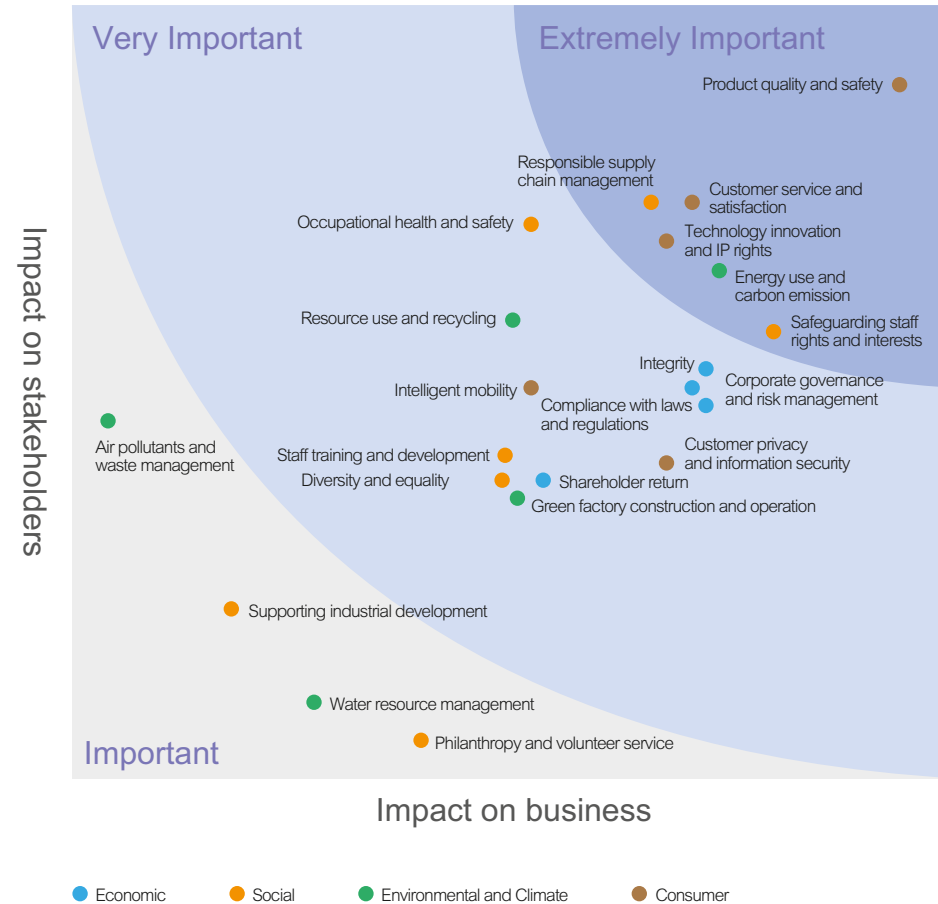
During the Reporting Period, in order to better respond to the demands and expectations of stakeholders, the Group carried out the identification of material issues. We mainly focused on the material issues of the automobile industry by referring to the materiality map of the Sustainable Accounting Standards Board (SASB) and disclosure guidelines by relevant regulatory authorities, as well as sustainability issues concerned by, capital markets, rating agencies, international reporting standards organizations and peers. We conducted 39 in-depth interviews with internal stakeholders and 6 interviews with external stakeholders. At the same time, we conducted surveys for the above-mentioned groups of stakeholders who are closely related to us, in order to summarize and analyze the concerns of major stakeholders. During the Reporting Period, the Group assessed and analyzed material issues through the following processes:

























During the Reporting Period, we ranked topics based on their importance to Geely Auto's business development and stakeholders respectively, and identified 6 ESG issues that were extremely important to the Group, 11 very important ESG issues and 4 important ESG issues .


























Geely Auto 2020 ESG Materiality Matrix



Materiality	Issues	Aspect	Corresponding Chapter	SDGs
Extremely important	Product quality and safety	Consumer	3. Taking the Lead in Innovation to Create an Exceptional Mobility Experience	SDG 3 SDG 9  
	Customer service and satisfaction	Consumer	3. Taking the Lead in Innovation to Create an Exceptional Mobility Experience	\
	Responsible supply chain management	Social	6. Walking Hand-in-Hand to Create a Better Future Together	SDG 9 SDG 12 SDG 17   
	Technology innovation and intellectual property rights	Consumer	3. Taking the Lead in Innovation to Create an Exceptional Mobility Experience	SDG 9 SDG 11  
	Energy use and carbon emission	Environmental and climate	4. Blue Geely for Low-Carbon Development	SDG 7 SDG 13  
	Safeguarding staff rights and interests	Social	7. Building a Cohesive Team and Driving Employees' Development	SDG 8 
Highly important	Occupational health and safety	Social	7. Building a Cohesive Team and Driving Employees' Development	SDG 3 SDG 6 SDG 8   
	Resource use and recycling	Environmental and climate	4. Blue Geely for Low-Carbon Development	SDG 12 SDG 13  
	Integrity	Economic	5. Compliance and Transparency with Responsible Management	SDG 8 SDG 16  
	Compliance with laws and regulations	Economic	5. Compliance and Transparency with Responsible Management	SDG 8 SDG 16  
	Corporate governance and risk management	Economic	5. Compliance and Transparency with Responsible Management	SDG 16 
	Intelligent mobility	Consumer	3. Taking the Lead in Innovation to Create an Exceptional Mobility Experience	SDG 9 SDG 11  



Materiality	Issues	Aspect	Corresponding Chapter	SDGs
Highly important	Customer privacy and information security	Consumer	3. Taking the Lead in Innovation to Create an Exceptional Mobility Experience	SDG 9 
	Shareholder return	Economic	5. Compliance and Transparency with Responsible Management	\
	Staff training and development	Social	7. Building a Cohesive Team and Driving Employees' Development	SDG 8 
	Green factory construction and operation	Environmental and climate	4. Blue Geely for Low-Carbon Development	SDG 7  SDG 9  SDG 12 
	Diversity and equality	Social	7. Building a Cohesive Team and Driving Employees' Development	SDG 5  SDG 8  SDG 10 
Important	Air pollutants and waste management	Environmental and climate	4. Blue Geely for Low-Carbon Development	SDG 12  SDG 13 
	Supporting industrial development	Social	6. Walking Hand-in-Hand to Create a Better Future Together	SDG 17 
	Water resource management	Environmental and climate	4. Blue Geely for Low-Carbon Development	SDG 6  SDG 12 
	Philanthropy and volunteer service	Social	8. Care for Community and Fight the Pandemic Together	SDG 1  SDG 2  SDG 3  SDG 4  SDG 8  SDG 10  SDG 8  SDG 10  SDG 11  SDG 17 



Based on the findings of the aforementioned material issues assessment, we reviewed the consistency between the results and the current sustainability plan, further strengthen the management and disclosure of material issues, and make appropriate adjustments in the work plan for the next year. At the same time, in the “environmental and climate”, “social”, “consumer” and “economic” aspects, we effectively control and manage processes and improve the quality of our work in accordance with the PDCA management model in order to promote our development through a virtuous circle, so as to respond to and meet the demands and expectations of important stakeholders.

Please refer to respective chapters for more details on each material issue’s PDCA.

	Plan	Do	Check	Act
Environmental and Climate	<ul style="list-style-type: none"> Support China’s carbon neutrality goal and global climate change mitigation; Blue Geely Initiative as a long-term strategy to increase the proportion of low and zero emission vehicle products; Continuously refine a life-cycle environmental management system to lower energy consumption & pollution. 	<ul style="list-style-type: none"> Develop advanced technologies to improve traditional vehicles’ fuel efficiency and provide a variety of high-performance new energy vehicles; Build green factories, upgrade production process & equipment to lower energy consumption; and increase renewable energy’s proportion; Upgrade facilities for better treatment on wastewater & air pollutants; Promote recycled materials’ application; Low-carbon logistics & recyclable packaging. 	<ul style="list-style-type: none"> Review sales & market reception of new energy products; Obtain green certifications in products, construction and factories; Passed renewal assessment for ISO 14001; Monitor various environmental indicators’ performance. 	<ul style="list-style-type: none"> Swiftly adjust strategy to accommodate market & fulfil strategic goal; Blue Geely evolved into two action plans to target more precisely on boosting new energy products’ growth; Set up specialized task force to accelerate formulation of carbon reduction; Rectification based on the environmental indicators’ accomplishment.
Social	<ul style="list-style-type: none"> Lead suppliers to develop a sustainable supply chain; Set ESG requirements for suppliers to comply with; Cultivate employees to support enterprise’ sustainable; development and help employees achieve their goals & protect their interests; Set a life-cycle plan for employees and plan for their training, benefits, health & safety, rights, corporate culture fusion. 	<ul style="list-style-type: none"> Implement ESG evaluation in supplier selection; Increase suppliers’ awareness & capability in ESG via trainings; Tailor-made trainings for different employees; Improve & safeguard employees’ benefits & interests; Eliminate and mitigate risks & hazards according to HSE system; Communicate with employees via various channels to increase their cohesiveness. 	<ul style="list-style-type: none"> Evaluate suppliers’ ESG performance in supplier audits; Complete supplier trainings & assist their management enhancement; Complete a variety of employee training programs; Conduct employee satisfaction survey to identify weakness & room for improvement; Review occupational safety indicators’ performance. 	<ul style="list-style-type: none"> Refine supplier ESG evaluation mechanism to increase or adjust to more suitable indicators; Enhance the weightage of ESG in supplier’s overall evaluation; Broaden paths for employees’ growth & communication channel to improve their trust on the enterprise.



	Plan	Do	Check	Act
Consumer	<ul style="list-style-type: none"> Creates an exceptional mobility experience & sustainability via technology & innovation; Apply technological breakthroughs in new energy, intelligence, connectivity & shared mobility on consumers' products; Set indicators for quality & service to formulate relevant workplan to provide excellent & customer centric quality & service. 	<ul style="list-style-type: none"> Invest in various technologies and apply on new products to realize its uses; Refine quality management system and implement various quality assurance & improvement; Trainings for enhancing service personnel to provide better service; Continuous communication with customers and resolve customer complaints quickly. 	<ul style="list-style-type: none"> Market reception on new products to validate the outcome of R&D; Obtain quality management certification like ISO 9001 & IATF 16949; Analysis of quality surveys conducted by third parties and quality indicators; Complete trainings on service personnel and handled 100% of customers' complaints; Conduct customer satisfaction survey and benchmark with peers. 	<ul style="list-style-type: none"> Optimize R&D plan based on market; Enhance measures on quality management to improve quality; Improve based on feedback from complaints & surveys, and use innovative service to enhance customers' experiences.
Economic	<ul style="list-style-type: none"> Safeguard shareholders' interest with a stable governance structure and risk management; Adhere to laws & regulations and business ethics to develop a sustainable operation for economic development. 	<ul style="list-style-type: none"> Refine our governance structure & risk management according to listing rules, investors' suggestions, and laws & regulations; Implement policies and trainings on compliance, to fulfil our commitment on laws & regulations and business ethics. 	<ul style="list-style-type: none"> Continuous review on the effectiveness of risk management by the Board, management, internal audit, etc.; Listen to regulators, investors and capital market's suggestions. 	<ul style="list-style-type: none"> Continuous to refine governance structure & risk management, and enhance the information transparency to our stakeholders.



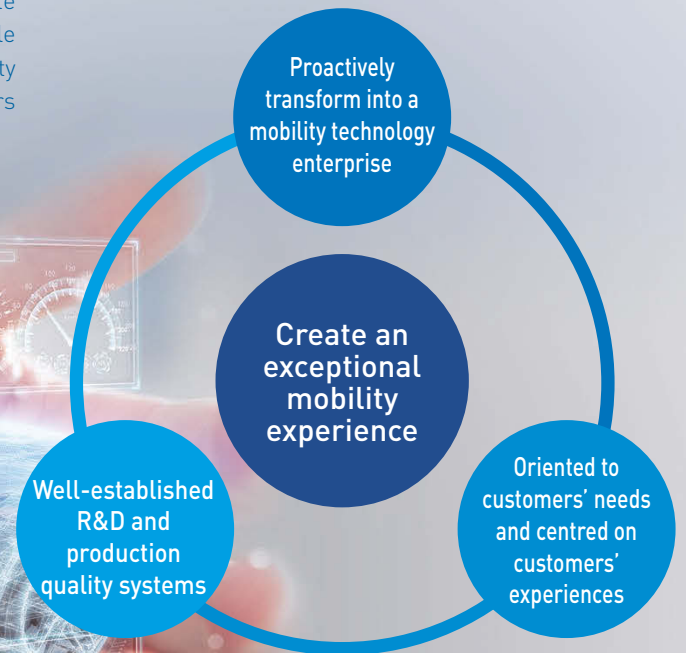


Taking the Lead in Innovation to Create an Exceptional Mobility Experience

Geely Auto Focus

Geely Auto's mission is creating an exceptional mobility experience. Upholding the core values of "People-oriented, Innovation, Excellence", Geely Auto persists in innovative R&D, safety & quality and considerate service. Innovation not only drives us to meet the challenges of transformation in the global automobile and mobility industry but also enables us to seize the opportunity to become a global leader in mobility technology, and brings revolutionary changes to the industry as well as creates more value for global users and the society, thus achieving sustainable development.

Strategy and Approach



... 3.0



3.1 R&D AND INNOVATION

Research and development (R&D) and innovation is a key to achieve sustainability, while sustainability is the driving force of R&D and innovation.

The current automobile industry will become an important technological and innovative area integrating frontier technologies in many fields, and a key realm to industrialize many innovative technologies. These include a series of disruptive technological innovation and business model innovation, such as new energy, autonomous driving, intelligent connectivity and shared mobility, which will create both new opportunities and challenges for the automobile industry. At the same time, we believe that these innovations will contribute to better sustainable development.

The Group proactively embraces the new changing trend of the automobile industry and continues to uphold the fundamental principle of innovation leading development. The Group holds the high ground of technology through communication, cooperation and sharing with the world's leading enterprises, creates a new business mode of mobility in the future, and gradually reaches the strategic goal of transforming ourselves from an automobile manufacturer to a mobility technology company.

Innovation Layout

The Group is committed to independently developing and mastering the core technology. Through independent and cooperative R&D, we continue to promote upgrades and innovation in technologies. At present, we have mastered various core technologies in chassis, powertrain, new energy vehicles, intelligent driving, etc. We have comprehensively covered the mainstream technology routes in related fields and reached industry-leading level. As the automobile industry is moving towards the "new four modernizations" (namely, electrification, autonomous driving, connectivity and shared mobility), the Group proactively plans the forward-looking automobile technologies' direction with a commitment to grasping the new opportunities for the transformation and development of the industry. We focus on R&D in the relevant fields, and take the lead in business transformation, thus forming various independent core technologies and the ability to self-develop software, which further strengthen our position in the industry.

R&D System

We uphold the principle of "customer-centred, platform-based, modularization, simultaneous engineering, as well as lean, agile and flat management", to ensure new products with competitiveness are efficiently produced & smoothly launched, provide products & services which exceed customers' expectations, and promote efficient & continuous operation of our global R&D centres. We have created an industry-leading new product development system

(NPDS) defining new products' full life cycle development in details. NPDS integrates strategic planning, market research, product design and development, product verification, production, sales, after-sales service and other parts of the full value chain, in the scope of R&D. In addition to the well-established R&D system, we have a large R&D team consists of high-calibre global talents, to achieve the goal of becoming a global brand with leading technology. At the end of the Reporting Period, the Group had 7,516 R&D personnel.



The followings are our development in the various new automobile and mobility technologies:

New Energy and Electrification

Geely Auto proactively promotes the application of new energy and electrification technology in our vehicle products. Our 48V mild-hybrid technologies and high-voltage hybrids (HEV and PHEV) technologies can achieve industry-leading fuel efficiency. In terms of electrification technology and fuel cell technology, we have overcome the technical difficulties and mastered self-developed core technology. The technical achievements in electrification have been applied to the mass-produced models.

48 V Mild-Hybrid Technology

- Geely Borui GE is equipped with 48V mild-hybrid control system. The control system was self-developed and contributed to many intellectual property rights.

Hybrid Technologies (HEV/PHEV)

- Geely Auto's HEV technology leads the industry; Products equipped with the first-generation self-developed hybrid system have already been launched and achieved fuel-saving of 30% – 32%;
- The second-generation HEV system is in development currently with a fuel-saving target of 45%.

Electrification Technology

- We have mastered three-in-one powertrain system (including electric motor, electric controller and decelerator) and equipped it on our EVs. The mechanical efficiency has reached an industry leading level, and a lower production cost;
- In terms of the battery packs, we have achieved a global leading level in the integrated development and platform development of packs, independent design and development of battery management system's (BMS) software and hardware, simulation analysis and test technique, which have been applied in supporting the development and mass production of various vehicle models.

Fuel Cell and Methanol Technologies

- Geely Auto has mastered the stack control system and software, vehicle integration, etc. and will carry out small batch of trial production;
- We have already overcome the technical difficulties of methanol's corrosiveness and emission control and have a number of patents. We are the first company in the industry to launch mass-produced methanol fuel vehicles and these products have been put in operation in Guizhou and other places.



Intelligent technologies

We took the initiative in strengthening the capabilities in developing intelligent software & hardware. At present, we have over a thousand of intelligent R&D personnel & have self-developed core technologies in electronic and electrical (E/E) architecture, electronic control technology, autonomous driving, etc. Also, we actively use intelligent technologies on production & build smart factories, to achieve comprehensive intelligent development.

Upgrading E/E architecture

Our new generation E/E architecture is built on function oriented forward engineering, pairing with development of attributes, functions, systems & auto parts, respectively, to achieve platform-based products and a leading vehicle E/E architecture in China. We began to develop vehicle electronic architecture & software since 2015. Lynk & Co 01 launched in 2017 has already adopted the self-developed integrated electronic control unit (ECU) architecture. We plan to launch new model equipped with domain architecture in 2021 where Flexrey (a high-speed bus system designed for automobile communication protocol with fault tolerance) & Ethernet as the backbone network, over-the-air (OTA) upgrades and partial service-oriented architecture (SOA), so as to realize personalized choice on vehicles' functions.

Autonomous driving

Facing the era of intelligent vehicles, the Group has developed autonomous driving in advance. Products with Level 2 partial automation & our automated valet parking system "Crawler" were launched in 2018 & 2019 respectively. Level 2++ is in development and planned to be in products launching in 2021. We will develop vehicles to achieve full automation in the future, including hands off, eyes off, automated valet parking, automated lane changing & automated navigation. We are building functional modules suitable for all scenarios & full process using dual redundancy standard to satisfy the highest level of international vehicle safety certification. The advancement in autonomous driving will not only bring better driving experiences to the drivers, but also create a safer traffic environment for occupants & pedestrians.



Case:

Vehicle-road coordination for Asian Games

Our self-developed autonomous driving system will be in trial during the 2022 Asian Games in Hangzhou. After studying the scenarios of Asian Games, like the roads around the stadiums and Asian Games Village, similar road scenes at Hangzhou Bay were chosen for simulation and roadside infrastructure, like perception cameras, millimeter-wave radars, road-side units (RSU), multi-access edge computing units (MEC) were built. Our self-developed intelligent transport cloud can process sensed & traffic flow information via the sensors and computing units, and send to driverless vehicles via vehicle-to-everything wireless communications (V2X). It can also be sent to vehicles with common connections via 5G/4G public networks to provide intelligent transport service. The connection with the government's "City Brain" is still in discussion. In this project, Alibaba will open the channel between the roads to the city brain and we can coordinate vehicles & roads by connecting our cloud with Alibaba's platform.



Intelligent production plants

The Group continues to build & upgrade intelligent production plants, to improve production’s capabilities & efficiency. During the Reporting Period, we formed a capacity structure mainly comprised intelligent production plants capable of automated, flexible & intelligent production.

Case: Application of digital technology in Yuyao Plant

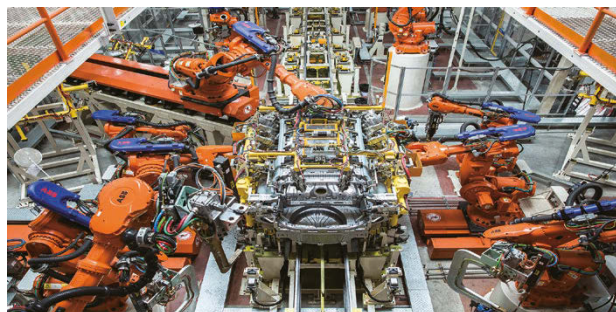
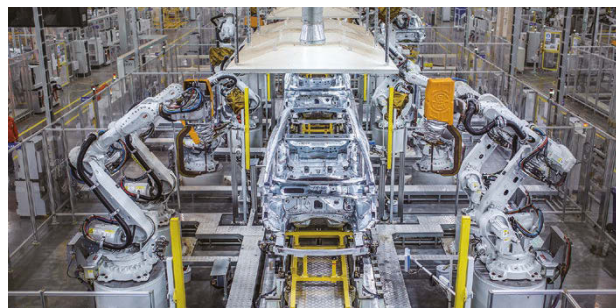
Equipment in our plants produce abundant data in the underlying process daily, which is not collected and processed in the past. At present, the data is collected in our system & processed by machine learning algorithm & big data analysis. Valuable information is extracted from this big data, which helps in achieving predictive maintenance, early warning in quality, process & energy consumption optimization, consumables reduction, & management of equipment life.

Spot welding parameter monitoring and quality control

By collecting data from welding curve (current, voltage, resistance), welding parameters & results, etc. we can trace welding quality. On the basis of UIR, we can manage early quality warnings across the full domain. Comparative analysis helps to optimize welding parameters, reduce spatter & energy consumption, extend the service life of electrode cap, and reduce consumables. More effective data models can be established based on engineering experience.

Monitor the working status of the production lines

Lower the rates of failure & production line stop, by monitoring of robots’ status via data on motor torque, current, position, angle, distance, mode, operation mode, alarm number, temperature.



Connectivity

Connectivity in vehicles can achieve more advanced autonomous driving through real-time road conditions and navigation services, etc. It can also provide a more enjoyable driving experiences by offering network information services, entertainment services, etc.

In the SEA architecture used for our electric vehicles announced in 2020, we launched a brand-new SEA OS vehicle intelligent solution, which was based on the integration of three domains (dynamic domain, safety domain, audio-visual entertainment domain) into the central integrated E/E architecture, and formed a complete development system through programmable hardware, software algorithm, cloud computing and application scenarios.



- Zero concept – a concept luxury electric vehicle equipped with new SEA OS



During the Reporting Period, our intelligently-connected vehicle team carried out technology advancement and innovation enhancement, for improvement in 4G connection and future planning on 5G-based mobility scenarios. In terms of 4G connection's improvement, we will further promote integration and platform-based development, modularize the functions and enhance their scalability, while strengthening its interconnection with smart home and improving vehicles' FOTA¹ performance.

Shared Mobility

In the era of car sharing, hourly car rental and online ride-hailing popularized rapidly which gave birth to new business models. Geely Holding Group's Cao Cao Mobility is an important part in the Group's value chain. Its fleet of vehicles mainly consists of Geely Emgrand electric vehicles and Geometry A electric vehicles. With a mission of "making every encounter satisfying", Cao Cao Mobility innovatively applies the world's leading technologies in internet, internet of vehicles, autonomous driving technology and new energy in the field of shared mobility. It is committed to shaping a low-carbon, healthy and shared life circle of people and vehicles, and developing into a safer, smarter and warmer one-stop mobility service leader. During the Reporting Period, Geometry A electric vehicles, were also made available on Cao Cao Mobility, bringing passengers a brand-new and upgraded riding experience. At the same time, Geometry A's features of zero fuel consumption, zero-emission, zero pollution and zero noise, truly preventing pollution from affecting the roads.



- Geometry A Electric Vehicle used by Cao Cao Mobility

In 2020, Cao Cao Mobility's annual green mileage from its mobility service exceeded 1.87 billion km, accumulated a carbon emission reduction volume of 266,000 tonnes, electricity usage of 300 million kWh and a saving of fuel amounting to 131.02 million litres.

In order to further promote the concept of car sharing, as well as improve the customers' car ownership experiences and the actual efficiency on the usage of cars, Lynk & Co expanded its business model in Europe from "car sales" to "car-sharing". Customers can choose short term subscription program, lease program, or car purchase so that they can enjoy a more convenient and flexible mobility experience. We propose the idea of not only sharing cars with family but also sharing with neighbors. In this way, the cars can become a part of the community and serve the whole community. This business model conveys the brand concept of "Born Global, Open and Connected", and take a new step towards the goals of "building a new global high-end brand" and "changing mobility forever".

In addition, the vehicles launched by Lynk & Co in Europe are hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs). We believe that the combination of new energy vehicles and car sharing will further reduce carbon emissions and contribute to climate change mitigation.









¹ FOTA (Firmware Over-The-Air): FOTA on vehicles refers to the vehicles' firmware system can be updated through the network, including but not limited to the control systems of core parts such as engine, electric motor, transmission, chassis suspension, etc

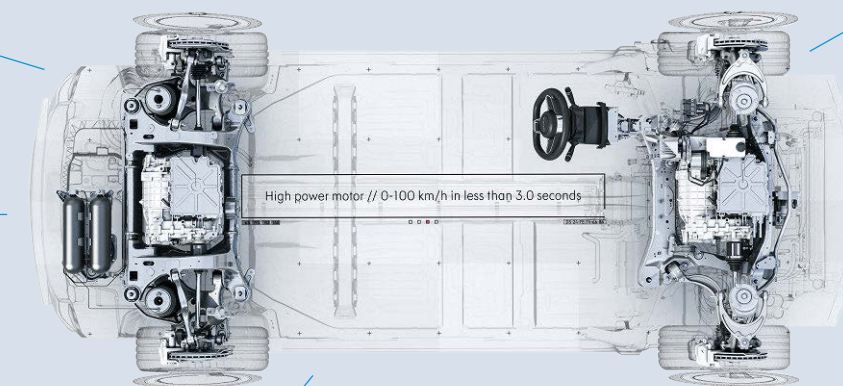
Sustainable Experience Architecture (SEA)






Geely launched Sustainable Experience Architecture (SEA) in September 2020 and our future EV products will be built upon this architecture. SEA took 4 years to build, it will not only fulfil the mission of our future electrification and intelligent mobility, but also fully realize how technology and innovation drive sustainability. SEA will break the traditional automobile's boundaries and bring infinite possibilities to low-carbon, safety and openness.












- SEA brings high performance electrification, significantly upgrades the performance in driving range, charging time and battery life. This will motivate more customers to drive on electric vehicles and promote zero-emission low-carbon mobility
- SEA has better autonomous driving and safety performance, which will bring customers and vulnerable road users safer experiences
- SEA is an open structure, not confined to our own brands. More than 34 intelligent mobility scenarios' developer communities in 8 different realms will participate in co-creation. This will further propel the automobile industry's development, and also give room for future technological advancement, creating more opportunities for sustainable development.

-  Safety zero boundary
-  Wheelbase ranging from 1800 to 3300 mm giving a larger and more flexible space

-  Energy zero boundary
-  Driving range » 700km, recharge 5 min to reach a range of 120 km by ultra fast charging at 800V
-  Battery lasts 200 thousand km degradation free and a design life of 2 million km
-  Self-developed high performance two speed EV transmission with maximum torque of 8000 Nm



-  Evolution zero boundary
-  SEA OS, a complete operating system
-  Self-develop core vehicle chip components progressively
-  More than 4,000 API interfaces
-  Full scenario, full life OTA updates

-  Safety zero boundary
-  Global 5 star safety
-  202 tests on battery packs + cells
-  Passed side pillar crash test, crucial in protection of vehicle batteries
-  Dedicated encryption chip for user data security
-  Driving zero boundary
-  50:50 balanced chassis
-  600 kW power with acceleration from 0 to 100 km per hour in under 3 seconds
-  Connected zero boundary
-  ISO 276262 Road vehicles – Functional safety and Automotive Safety Integrity Level D (ASIL D), the highest functional safety level certification
-  Fully autonomous driving capabilities in future



Intellectual Property (IP) Management

While strengthening R&D, the Group strictly implements the relevant requirements of IP management to safeguard the development of technology. We strictly abide by the "Patent Law of the PRC", the "Copyright Law of the PRC", the "Anti-Unfair Competition Law of the PRC", the "Enterprise IP Management", the "Guide to IP Management of Industrial Enterprises", the "Measures for the Transfer of IP (Trial Implementation)" & other relevant laws and regulations, and continue to improve the Group's relevant regulations. Guided by the various policies, we have carried out work on the creation, management, protection and application of IP rights, promoted the technological advancement of the Group, improved our market competitiveness, & avoided infringing others' IP while protecting ours from infringement.

We have standardized the approval of IP applications. Any applications must go through the approval process of internal IP protection. We manage and maintain our current IP via a combination of our internal IP management system and the management by external agencies after the application. We have also set the operation procedures of patent protection and supplier rights' protection, so as to timely protect our interests in case of IP disputes. By managing key process, we protect our core technologies timely and effectively. At the same time, we also transform our achievements through internal and external IP licensing, trading, and waiver.

On the other hand, we continue to increase incentives for IP rights. In patent application and authorization, we classify & rate the IP rights according to their values and attributes, and grant incentives for invention patent application & patent authorization according to the ratings. These incentives further stimulate our employees' enthusiasm for innovation.

R&D Achievements

Backed by the advanced R&D platform, comprehensive IP policies & well-developed talent system, we obtained a large number of patents & software copyrights in China and abroad through our R&D. Moreover, we also received many technology awards, & participated in various R&D projects at different levels. At the end of the Reporting Period, the Group has received a total of 9,332 major authorized patents, including 9,241 authorized patents in China (2,097 invention patents inclusive) & 91 overseas authorized patents. The Group has registered 42 software copyrights related to production and operation.

During the Reporting Period, Geely Auto received 36 science & technology awards, including the 2nd prize of the National Award for Technological Invention. We have undertaken 9 national & provincial R&D projects, including 4 major national technological projects. Geely Auto submitted 3 self-developed leading technologies, namely, the "Key Technology & Application of High-Performance Powertrain Platform", the "Research on Traffic Accident Injury & Development of Protection Technology for Chinese VRUs", and the "R&D & Industrialization of Key Technologies on High Performance 48V Hybrid Power System for Passenger Cars", to China's Automobile Industry Technology Progress Award in April 2020 and won the first, second & third prizes respectively. These awards were the highest level of technology awards in the industry, which represented the industry recognition, the rise of domestic automotive brands, and an example on our adherence to the national strategy of strengthening enterprises via technology & innovation.

In addition, we have also participated in the development of industry standards at the national or local level. During the Reporting Period, we led or participated in the formulation of 134 standards, of which 32 have been published and 102 are being prepared. Some standards we participated are listed as follows



Name of Standard	Related national organization
Technical Specification for Green-Design Product Assessment – Vehicle Seat	China Society of Automotive Engineers
Functional Safety Requirements and Testing Methods for Battery Management System of Electric Vehicles	Electronic and Electromagnetic Compatibility Branch of National Technical Committee of Auto Standardization
Guidelines for the Recall Effectiveness Evaluation of Defective Motor Vehicle Products	National Technical Committee of Product Defect and Safety Management Standardization
Electric Vehicles Traction Battery Safety Requirements	Electric Vehicle Branch of National Technical Committee of Auto Standardization
Electric Vehicles Safety Requirements	Electric Vehicle Branch of National Technical Committee of Auto Standardization
Electric Vehicle Wireless Power Transfer Part 2: Communication Protocols Between On-Board Charger and Wireless Power Transfer Device	China Electricity Council

3.2 PRODUCT QUALITY AND SAFETY

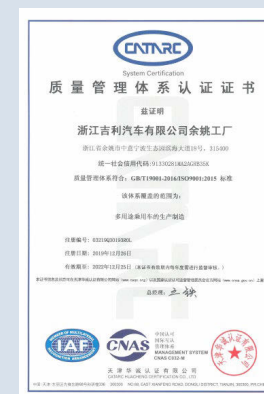
Geely Auto always puts customers’ experiences at the centre. Adopting the 4-3-10 quality strategy, we reform in 4 aspects: quality system, new energy quality, durability quality and supply chain quality while solving 10 key tasks in 3 areas: early-stage quality, manufacturing quality and service support, so as to accurately target at the customers’ ultimate experience and continuously improve the quality management.

Quality Management System

In order to ensure the effective operation of various business of the Group, Geely Auto has established 417 documents on quality management systems at different levels. During the Reporting Period, a total of 93 documents were added/ revised to meet the needs of business development. We introduced the quality cost management mechanism and added the “Quality Cost Analysis and Control Procedure”, so as to effectively and accurately understand, control and manage the various quality costs of products. We revised the “Risk Control Management Procedure” to standardize the risk management of different units of the Group, and sharpen the ability in risk prevention and control. We also revised the “Product Safety Control Procedures” in order to fully fulfill the obligations in product safety and avoid product liability risks.

According to ISO 9001 quality management system, IATF 16949 automotive quality management system and other quality-related laws and regulations, Geely Auto has established an internal quality management system, covering the full process of auto design, R&D, manufacturing, sales and service management. The companies responsible for the R&D and production of the three car brands of the Group were certified with ISO 9001 quality management system and the company responsible for powertrain has been certified with the IATF 16949 automotive quality management system.

Lynk & Co is planning to obtain certification of ISO 9001 quality management system for its own quality system. At present, the Yuyao plant of Lynk & Co has been certificated with ISO 9001 quality management system and has obtained the factory accreditation certificate issued by UCA in Spain.



- Yuyao plant’s Certificate of ISO 9001 Quality Management System

Maturity Assessment on Full-Process Quality System

The Group built "Assessment Standard on Full-process Competitiveness and Quality System" to accurately assess the quality management. It is based on ISO 9001, IATF 16949 standards, German Association of the Automotive Industry (i.e. Verband der Automobilindustrie, VDA) quality standard, as well as made reference to the theory and method of management maturity assessment and the idea of Performance Excellence Model's scoring method, combined with auto experts' managerial experience in various fields. This assessment standard starts from the system's perspective and adopts process method in maturity assessment. Through the qualitative assessment and quantitative analysis of each business process's 7 aspects which are responsibilities, processes, standards, objectives, implementation, performance and benchmarking, we graded each production plant to determine their current competitiveness, effectively identified the weaknesses in the development and operation of the quality management system, clarified the direction for improvement, and summarized a series of best practices and experiences, so as to drive each business to operate with work-flows, standards, policies and systems, and lay the foundation for quality management.

Quality Assurance of Manufacturing Process

Geely Auto's independent manufacturing quality assurance system adopts the principle of standardized operation, and implements process inspection (stamping, welding, painting), outgoing inspection, global customer product audit (GCPA), full pre-delivery inspection (PDI) and process quality control. Using a full process quality real name registration method,

we precisely trace and hold the responsible person accountable, in order to realize the principle of "I assure the quality I am responsible for; I am responsible for the defects caused by myself", and the goal of zero defect in full-process quality. All of the 13 production plants in China have fully operated the independent manufacturing quality assurance system in a standardized manner. Through the effective operation of the system, during the Reporting Period, Geely Auto's defect rate per car manufacture has been improved by 64.9% compared with that in 2019, and the overall manufacturing process assurance improved by 9% compared with that in 2019.

In 2020, according to the Initial Quality Study (IQS) released by J.D.Power, in terms of problems experienced per 100 vehicles (PP100), Geely's ranking in the mainstream automobile market, has increased from 2019's 34th to 2020's 20th. Geely Xingyue also ranked the 1st in the segment of mid-size SUVs.



Case:

Strict process control to prevent defective vehicles from entering the market

Lynk & Co follows the principle of "Three Don'ts" (i.e., Don't accept a defect; Don't build a defect; Don't ship a defect) and self-assurance to ensure that quality issues do not enter the market. A 100% online inspection and spot checks are made before a stamped part leaves the production line. In the welding process, the inspection points are set on each mainline to make ultrasonic spot check on welding quality of each assembly part, and 100% body in white quality check is conducted on a metal finish line. In the painting process, the E-coating parameters and paint film thickness are inspected, and the painting quality is 100% inspected on the fitness line. In the assembly process, the inspection points are set in each section to check the assembly quality. After a vehicle rolls out of assembly line, the static interior and exterior surface and function are inspected on the final line. The four-wheel alignment and lamp adjustments are performed on the detection line. The WAM calibration and rolling test are conducted on the regulation test, and then the cars go through the water test, drive test and final pre-delivery inspection.



Product Recall and the related Prevention

Geely Auto has formulated the “Regulations on Geely Auto Product Recall Management” in strict accordance with the national “Regulation on the Administration of Recall of Defective Auto Products”. We formulated the “Measures for Administration of Recall of Defective Auto Products in Overseas” based on the relevant laws & regulations in our overseas market. Based on these recall policies, we strengthened the recall management process of defective automobile products, and eliminated the danger of defective automobile products on the personal and property safety of users and the public. This minimized potential losses and impact on public safety, public interests, as well as social and economic order. We have set up a Product Safety Committee to organize a public recall with the following process:

Defect validation process

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

Active recall process

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

Geely Auto established the defect inspection process in ITS system. Recall issues and potential batch issues in China and abroad are input to products in mass production and new product projects in this system for checking and avoidance.

Through the defect prevention management in R&D, manufacturing and supply chain quality, Geely had zero recall during the Reporting Period.

Indicator	Unit	Geely Auto Recalls		
		2018	2019	2020
Public Recall	Number of times	1	1	0
	10,000 vehicles	4	9	0

Development of Quality Culture

Geely Auto started with physical quality, established a two-way double-cycle quality improvement system, and used the “3824” quality improvement methodology (i.e., A Geely Auto self-developed quality improvement methodology consists of 3 stages, 8 steps and 24 nodes) to carry out a number of quality improvement activities. Many activities achieved excellent results and were recommended to be published as provincial and national quality control (QC) projects. Meanwhile, Lynk & Co announced 7 slogans for quality culture: “passion for the future, focus on creating value for customers, transforming strategy into action, professionalism decides influence, systematic cooperation, establish mutual trust and respect, as well as training teams and personnel”.

We promoted Geely Auto’s quality culture, created an atmosphere of good quality and increased the quality awareness of all employees through various quality culture activities, such as quality knowledge competition, front-line quality skills competition, brand storytelling, G-quality monthly publications.

Case: Front-line quality skills competition

The front-line quality skills competition with a theme of “creating high-quality products with skills and winning the future with quality” was carried out in 2020. A total of 1,295 contestants from 17 units participated in the competition. Among them, 52 excellent contestants were selected for the final competition held in Guiyang on September 1, and 13 contestants won the Group Awards. This competition promoted the improvement of knowledge and experiences of front-line quality personnel and built batches of talents with compounded skilled in quality.



During the Reporting Period, the Group won a number of provincial and national honors in quality improvement. The “QC project to improve the quality of NL-3 model front door closing” won the model project of Zhejiang Machinery Industry Federation, 8 other projects won the first prizes, 13 QC projects won the national professional awards and excellent achievement awards. Geely’s 3824 quality improvement methodology was named the “Advanced Quality Management Methodology” in Zhejiang Province and was also one of the Top 100 Advanced Cases rated by local administration for market regulation in Jiangsu, Zhejiang, Anhui, Jiangxi and Shanghai.

Product Safety DNA

Geely Auto’s “people-oriented” safety DNA is rooted in the inherited and upheld car-making concept of “safety first” in Geely people’s minds, as well as the continuous evolution of safety technology. In order to protect customers using our products and those who are potentially involved in such environment, the Group applies the latest safety protection technology and safety products to continuously fulfill the promise of building the safest car.

We have made every effort to implement the concept of “building the safest car”, overcome difficulties and tackle key technical problems, so as to ensure that all the models developed later meet requirements for five-star safety. Some models, such as Lynk & Co 01 and Lynk & Co 02, have been rated as 5 stars + respectively in China’s New Car Assessment Programme (C-NCAP) crash test. Lynk & Co 02 also achieved the highest rating and obtained the award of the “Global 5-Star Safe Car Body”.

C-NCAP Rating for current products

Brand	Model	Vehicle Type	C-NCAP Management Regulation	Star Level
Geely Auto	Jiaji	MPV	2018 Edition	5 Stars
	Emgrand GL	A class Sedan	2018 Edition	4 Stars
	Boyue	SUV	2015 Edition	5 Stars
	Borui	B class Sedan	2015 Edition	5 Stars
Geometry	Geometry A	EV	2018 Edition	5 Stars
Lynk & Co	01	SUV	2015 Edition	5 Stars +
	02	A class Sedan	2018 Edition	5 Stars +



- Nine safety systems in VCDS

Over the years, Geely Auto’s safety DNA has been constantly enriched and updated. Starting with traditional elements of advanced body structure and improved protection system for occupants and pedestrians, we developed Geely Total Safety Management (GTSM), and then evolved to “G-safety”, and now upgraded to the latest and more comprehensive “Vehicle Comprehensive Defense System” (VCDS). The three safety technologies shared a common goal of better protection of human life and property.

Geely Auto VCDS’s vision is zero casualties, zero harm to health, zero loss of property and zero leakage of privacy. Based on life domain, health domain, property domain, and privacy domain, VCDS includes people-oriented nine safety systems, which put all-around attention to the safety of occupants in both our users and others’ cars, vulnerable road users, maintenance and rescue personnel and comprehensively cover a variety of scenarios where cars are used, such as driving, parking, maintenance, and repairing.

High Performance in Safety

In order to ensure the effectiveness of safety technology and products, we have established a sound and advanced safety technology development and verification system. Based on the research results of actual traffic accidents, we closely combined the technology and product development with the actual demands from the market and customers to precisely set development goals. During the design stage, we used advanced virtual simulation to identify problems and solve them through optimization, and avoided repeated trial and error process which greatly increased the probability of designing the right products in a single run. This reduced the development cost and shortened the development cycle, resulted in more cost-effective products offering to our customers.

We have established a safety performance assessment system based on the China New Car Assessment Programme (C-NCAP), the European New Car Assessment Programme (Euro NCAP) and the China Insurance Automatic Safety Index (C-IASI). This system includes the safety performance assessment systems for occupants, body structure and pedestrians. This system's requirements are higher than the national standards and cover many items not included in the national standards. In addition, we have also included safety requirements, which are stricter than the national standards, in the development of platform architecture.

In terms of vehicle safety, we fully integrated vehicle safety into the overall structure of vehicle models. Our safety laboratory meets the testing requirements of current international mainstream standards and regulations and has been certificated by China National Accreditation Service for Conformity Assessment (CNAS) and is fully capable of verifying the safety of parts and components.

Battery safety

Battery safety is one of the key pain points that new energy vehicle users are most concerned about, and therefore, we have developed solutions to address:

- Develop and test batteries according to the relevant standards including UL2580 of the United States' Underwriters Laboratories and ECER100 of the European Union
- Achieve millisecond safety response warning by monitoring the health status of batteries with big data

- Lynk & Co 02 achieved 5+ Star Level in C-NCAP with a comprehensive scoring rate of 95%



Safety of autonomous driving

Safer autonomous driving requires the improvement of various performance indicators. We adopted ISO 26262 “Road vehicles – Functional safety” in our design process, to ensure the safety of the system design and improve the usability of autonomous driving.



- A Geely car equipped with intelligent driving equipment

We integrate the raw data from radar and camera to improve the ability to recognize and track targets. The combination of high-precision map and data from sensors can achieve high-precision positioning on the lanes. Vehicle safety can still remain under control even encountering sudden decline in the information quality of lane and roads. At the same time, our core patent in backup control technology can timely work in case of failure of any single part in the system. This backup control, braking and steering, can still ensure that the vehicles remain safe to the greatest extent.

Health products

In order to ensure users' health and comfort in the process of driving and riding, Geely Auto proposed the concept of “healthy car”, and formulated technical routes in five major fields, namely, healthy air, healthy interior, healthy defense, healthy monitoring and healthy environmental protection.

To ensure better air quality when users drive and ride the cars, we have developed a complete air quality standard system, which manages the air quality in the vehicle at three levels: vehicle, parts and materials. For the vehicle control, we followed the current national standard, GB/T-27630 Guideline for Air Quality Assessment of Passenger Car and control the indicators of “five types of benzene and three kinds of aldehyde” to meet the corresponding national vehicle standards. For the control of parts and materials, Geely Auto has formulated internal standards to address.

Geely Auto uses environmentally-friendly materials and processes with low odour and low emission. After mass production, materials, processes, warehousing and logistics of suppliers will be managed and controlled, to ensure the air quality inside the car and bring healthy and comfortable air to the customers. In the control of volatile organic compounds (VOCs) inside the vehicle, our control on VOCs of the vehicle is further broken down into parts and components. The VOCs of 29 major components and over 180 sub-components in the vehicle must satisfy our indicator before being used in the vehicle. For the non-metallic materials crucial to the car, Geely Auto established an environmentally-friendly material database, environmentally-friendly materials in this database are on priority to be used so as to ensure the air quality inside the car.



3.3 SERVICE AND EXPERIENCE

Geely Auto is committed to creating six zero boundary intelligent mobility experiences for customers: space, energy, evolution, interaction, safety and driving. Persisted on people-oriented and led by technology, we aim to create the ultimate experience. We always persist on market-oriented and customer-centric concepts as well as grasping and guiding our customers' demands, in order to provide a full life-cycle ultimate driving experience through innovative technology and approach, and integrate products and services into customers' social lives.

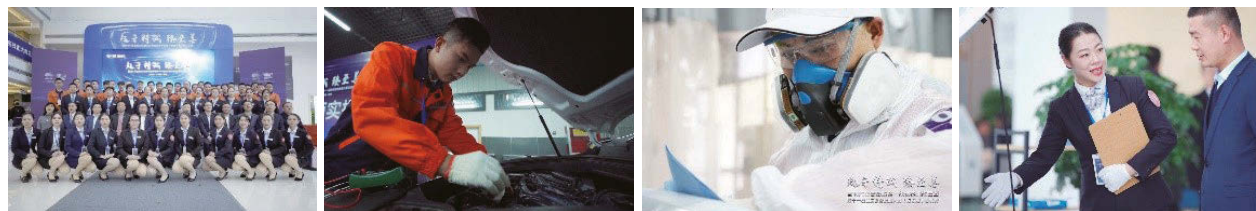
Philosophy and Culture of Customer Service

We are always on a mission to create an exceptional mobility experience, with "people-oriented, innovation and excellence" as our core values, and are committed to providing users with high-quality product experience and car usage experience through technological innovation. During the Reporting Period, Geely Auto continued to reinforce the service philosophy of "care in details", and strengthen the core of "1-2-3 high-quality service project", in pursuit of a goal of ultimate service, so as to keep customers informed, convenient and rest assured, and improve the service quality comprehensively.

Geely Auto adheres to the principle of "competition replaces and promotes practicing". Since 2010, Geely Auto has held 11 national after-sales service skills competitions, continuously improving the service skills and service quality of employees, and thus, meeting the personalized needs of every customer. During the Reporting Period, Lynk & Co launched the elite contest and the third Lynk & Co service skills competition to achieve the screening, development and retention of talents. We constantly enhanced and expanded these elites' ability and influence, and raised their sense of honor and brand loyalty.

 **Case: Service skills competition**

In 2020, Geely Auto adhered to customer-centricity and carried out the Geely Auto Training Camp for after-sales service elites and the 11th after-sales service skills competition. The competition successfully achieved the goal of "competition replaces and promotes practicing". Near 10,000 people from about 1,000 service providers of Geely Auto participated in the competition. At last, 96 contestants stood out, covering four key positions: service consultant, maintenance technician, sheet metal spray painting technician and sheet metal technician. Through the competition, they all showed excellent service skills and friendly attitude, further standardized service process and maintenance operation, greatly improved after-sales service skills and enhanced awareness of service. After the 11th competition, benchmark has been set and a large number of elites have been identified, and laid a solid foundation for Geely Auto's high-quality after-sales service.



Case: After-sales maintenance personnel training and improvement system

In order to strengthen the ability building of after-sales service and improve the basic literacy and service skills of after-sales service personnel, we provided a comprehensive skill certification system and training system for each service station. Geely Auto also carried out Geely Key Position Certification and Geely Maintenance Technician Certification for our overseas customer service personnel and the certification rates increased by 27% and 159% respectively compared with 2019. During the pandemic outbreak, to ensure a smooth launching of new products and good customer service experience in overseas markets, we adopted online live-streaming trainings at 00:00 China time to ensure trainings could be conducted during the overseas employees' working hours and aligned with pandemic control requirement.



During the pandemic outbreak, the Group concentrated its resources to develop "Geely healthy car" which took the lead in introducing CN95 filters. The first batch of CN95 filters were equipped in 158 Jiayi MPVs in supporting the travel of the rescue teams in areas severely affected by the pandemic in China. We also launched a special anti-pandemic service with the theme of "Geely care will always be with you" for overseas dealers and customers. Adhering to the service concept of "care for your care", we joined hands with dealers to support the global fight against the pandemic and provided CN95 air conditioner filter replacement service for free.



АВТОМОБИЛИ GEELY
НОВЫЙ УРОВЕНЬ ЗАЩИТЫ
ВСЕЙ СЕМЬИ



- Online live-streaming training at 00:00 China time for overseas customer service personnel



Due to its ultra-high filtration efficiency, CN95 was widely recognized and requested by consumers immediately after its launch. The newly launched ICON Model in 2020 has already been equipped with this filter. In addition to new models, Geely Auto also provided free replacement service for all old customers of current models. Since its launch in February, Geely Auto has replaced CN95 filters for customers more than 520,000 times across China. Following CN95, in order to enhance the anti-bacterial protection performance of interior surface materials, Geely Auto has successively developed anti-bacterial plastics, paints and soft decorative materials. At present, the anti-bacterial steering wheels have already been installed in the newly launched ICON model.

**聚焦健康科技
守护自在呼吸**

科技净化, 健康 ICON

- 全系标配行业首款真车标配“CN95”高效复合空调滤芯
- AOS 空气质量管理系统 PM2.5 空气过滤系统
- 绿色环保座舱
- 手机远程控制车窗透气



**智能科技领跑
安全互联随行**

科技护航, 安全 ICON

- L2+ 级别智能驾驶
- 540°全景影像含180°底盘透视
- 360°高清行车记录仪
- APA 全自动泊车
- 三指飞屏
- 无忧安全离车模式

**让每一辆家轿都具备
健康汽车的最高标准**

如同戴上口罩的
CN95空滤



可以实现自清洁的
抑菌方向盘



如同天然氧吧的
负离子空气净化系统



- Geely ICON equipped with healthy technology, including CN95 air filter, anti-bacterial steering wheel, negative ion air purification system

Customer Communication

Putting ourselves in customers' shoes is the starting point of our journey in innovative development. 10 million customers are the cornerstone and wealth for Geely Auto's development and satisfying customers continuously is also the source of our innovation and growth. We have established a good interaction mechanism with our customers. Through interactive platforms such as Geely Club and CO: Club, we have strengthened the mutual interaction and communication to maintain the source of inspiration for innovation and new value creation. We continue to build a user ecosystem of co-creation and sharing, as well as create a new harmonious relationship featuring interaction and symbiosis.

Geely Club

Founded in October 2008, Geely Club is committed to building a bridge between the brand and the car owners to communicate, shaping a culture exclusive to Geely Auto's car owners and improving customers' satisfaction and loyalty to the brand. We have established more than 1,000 branches of Geely Club at the dealers in China, with more than 300,000 members. In line with the concept of "care in the details", the club makes a customer care plan to communicate with the customers, listen to their opinions, pay attention to their new demands at any time, and solves their problems. The club can showcase our corporate marketing and after-sales strategy – excellent quality, advanced ideas, all-around service – to our customers. We also convey our corporate philosophy to the customers, to provide them with a variety of life and service contents, and form a family among our customers.



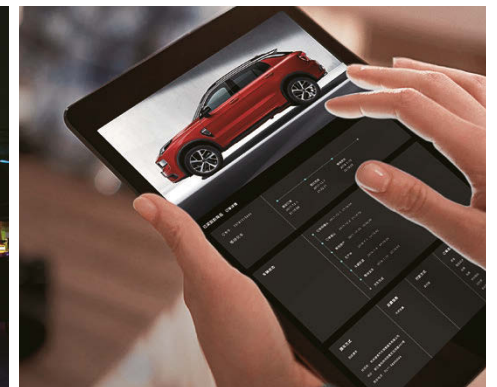
Case: "A 550km wonderful journey of Geometry C"

Geometry C has retained a large number of car owners all over China since its launch. In order to leverage the influence of car owners to boost our brand and the vehicle, we gathered the first batch of car owners and invited 40 groups of car owners and potential customers in Beijing, Shenzhen and Shanghai to carry out a two-day and one-night self-driving travel within a radius of 550km around these key cities. Inspired by the new car owners' passion, the activity converted urban youth's enthusiasm in sharing, into our product's word of mouth. At the same time, this activity demonstrated Geometry C car owners' image of "knowing how to live", and attracted more young groups to notice and buy Geometry cars and resulted in creating a low-carbon mobility ecosystem.



Case: Co: Club community connects Lynk & Co and its customers

As a young new-generation brand, Lynk & Co is free of constraints and restrictions unlike the other traditional brands, and can unleash its creativity to the greatest extent. It adheres to the customer centric concept and continues to change mobility. Lynk & Co App has already become an important node connecting the brand and its customers. Lynk & Co goes beyond the traditional automobile dimension, based on its brand value of "personality, openness, and connection", provides a consumption experience more than just cars. Lynk & Co creates an ecosystem of users through the development of the Co customer community, Co coin ecology, and nationwide Lynklands. The Co: Club Community, built on Lynk & Co App, has more than 1.13 million fans, covering 7 generations from the post-40s to the post-00s. 67% of users have not yet owned Lynk & Co cars, but they gathered in the Co: Club community for similar aesthetic and taste.



Case: Lynk & Co Clubs in Europe – a fusion of technology and art

Lynk & Co Club, the first store in Europe, officially opened in Amsterdam during the Reporting Period. In January 2021, another Lynk & Co Club was opened in Gothenburg. The Clubs are not only traditional car sales stores. In addition to a small number of cars inside, customers will be immersed in the new experience with network technology and VR technology. At the same time, the Clubs created a community for people with similar interests. The Clubs display works of art and fashion items of local designers. The creative works of designers will also be presented in the European and even global Lynk & Co clubs through unique digital channel for global consumers to choose.



Consumer service and support

In order to provide customers with better experiences, Geely Auto offers 24/7 convenient service, including a 24 hours service hotline, over 1000 service stations in China, official website, WeChat official account, etc.

Before the purchase of our products, customers can make test drive appointment via the above channels, and make reasonable consumption after sufficiently understand our products' performance and experience.

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

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



Customer Complaints

In handling after-sales issues, we adhere to the principle of “customers first”. We have established customer file management, and constantly improve the customer feedback mechanism, complaint handling mechanism and quick response mechanism.

We provide 24/7 service for enquiries and complaints. Personnel is assigned for recording complaints as well as investigating and analyzing the complaints, to properly resolve them. We established a complaint handling process of “response within 2 hours, resolve within 72 hours”. After receiving the customer’s complaint, the dealer or complaint handling personnel in the service station shall respond within 2 hours in the system and resolve appropriately within 72 hours by providing a satisfactory reply.

We handle the complaints from the perspectives of the complaint itself, the related technical and management issues. This not only addresses the customer complaints but also resolves the cause. We proactively implement corrective and preventive measures, and avoid the recurrence of the same issue.

We established emergency pre-warning mechanism in addition to our typical customer handling process, to process large number of similar complaints arising from emergency. We have also established a customer contact centre, to handle customers’ complaints in advance and further improve the customer satisfaction.

2020	Geely Auto Brand	Geometry Brand	Lynk & Co Brand
Total number of complaints	44,936	1,177	990
Percentage of complaint handled	100%	100%	100%

Customer Satisfaction

Geely Auto pays attention to the development of friendly cooperative relationship with customers. In pursuit of excellence, continuous improvement and greater customer satisfaction, we engaged a third-party evaluation centre to carry out customer satisfaction survey every year. The evaluation can fully reflect the quality of our product and service, and obtain customers’ feedback more objectively and effectively. We can also comprehensively understand customers’ opinions on our products and services, and take targeted measures in improvement to get recognition from customers.

During the Report Period, Geely Auto scored 753 in J.D. Power customer service index (CSI), which was higher than mass market brands by 11 and has been ranked high satisfaction for 8 consecutive years. Geely Auto has ranked the 8th among mass market brands in 2020 and was the 2nd among domestic brands in China. In APEAL, which was based on customers’ experiences, Geely Binrui ranked the 1st in the mid-size sedan.

Geely Auto brand and Geometry brand conducted service satisfaction surveys with 12-15 key indicators via telephone and short message service (SMS). The key indicators are adjusted semi-annually and mainly include timely reception, service consultants’ manner, the reasonableness of car delivery time, evaluation on maintenance technician, etc., which are then used to determine the final score.

Service satisfaction rate of Geely Auto brand & Geometry brand

	2020’s target in China	2020’s result in China
Telephone satisfaction (score)	92	92.8
SMS satisfaction (score)	93	96.9



Geely's international sales always adheres to the principle of customer-centric, continuously improves customer satisfaction, persists on "benchmarking management and quality operation", and is committed to creating a reassuring, worry-free, comfortable and warm customer service experience. During the Reporting Period, through collaboration with global dealers, the customer service satisfaction surveys were carried out, via phone or emails, and covered the following aspects, namely, service appointment and service facilities, personnel's attitude, reception, quality of maintenance, car delivery service and service cost. We have covered 13 overseas key markets such as Russia, Belarus, Saudi Arabia, the Philippines and Kuwait. The overall service satisfaction of each market was stably over 92%.

Lynk & Co's after-sales implements a comprehensive customer satisfaction tracking and follow-up system to track customer's perceptive experience in various aspects. Surveys are conducted by phone call, Lynk & Co App, WeChat, etc. The survey's scope includes the full process of customer after-sales service, focusing on solving vehicle problems or customer needs in a single run, the attitude of service personnel, the length of service time, the cleanliness of the car after service. In 2020, Lynk & Co successfully interviewed more than 80,000 customers experienced the after-sales service, covering 100% of dealers. The average service satisfaction score was 94.

Based on the satisfaction survey, the Group will further analyze the key weaknesses and the indicators that need to be improved, formulate and issue improvement guidelines for dealers. We guide the dealers to carry out rectification by means of holding meetings with the dealers on rectification and improvement, and performing spot checks in their stores.

Awards and Honors

Geely Auto continuously improves its service and is well recognized in the industry. From 2009 to 2020, we were awarded the Golden Service in China Automotive for 11 consecutive years. We have been awarded the Golden Service in China Automotive – Quality Service in 2019 and the Golden Service in China Automotive – Customer Satisfaction in 2020.



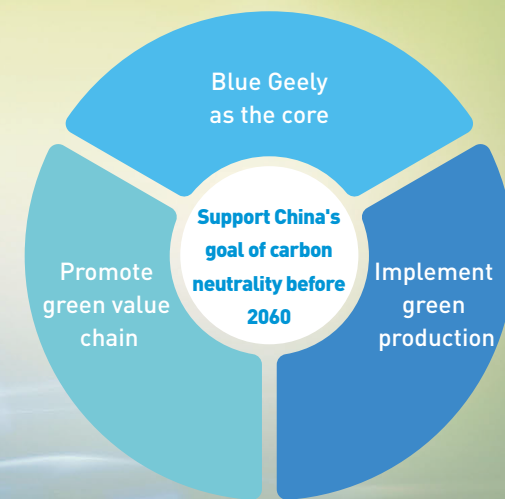


Blue Geely for Low-Carbon Development

Geely Auto Focus

Geely Auto actively responds to climate change and supports China's goal of achieving carbon neutrality before 2060. We seize the opportunities arising from new energy and gradually increase the proportion of energy-saving, low-carbon, and zero-emission products to reduce the vehicles' carbon footprint through the Blue Geely Action Plans. We also promote energy saving and consumption reduction throughout the product life cycle, including product design, green factory, low-carbon manufacturing, and green logistics to further reduce the carbon footprint in our operations. We act in strict accordance with national and local environmental protection laws and regulations in our production process and dedicate ourselves to reducing the environmental impact of air pollutants, wastewater, and solid waste. We will continue our efforts in building a low-carbon value chain through improvements in technology, manufacturing process, and business model to implement low-carbon management throughout the product life cycle. We will actively fulfill our environmental responsibility and strive for high-quality, eco-friendly, and sustainable development.

Strategy and approach



4.0

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



4.1 CLIMATE CHANGE RESPONSES

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

Since 2019, we referred to the recommendations of TCFD of the Financial Stability Board (FSB) to disclose our climate change related information in terms of governance, strategy, risk management, as well as metrics and targets. In accordance with the TCFD's recommendations, this Report discloses information as follows.

Governance

During the Reporting Period and before the establishment of the Sustainability Committee, the Board of Directors (the "Board") held two discussions on climate change topics to assess corresponding risks and opportunities, as well as discuss their impact on our strategy.

In December 2020, the Board approved and established the Sustainability Committee to assist the Board in overseeing our development in ESG and providing guidance in the implementation of related measures. In terms of climate change, the Sustainability Committee is responsible for:

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

The Sustainability Committee will carry out the above at least once a year and report directly to the Board for proposing recommendations. After receiving the recommendations of the Sustainability Committee, the Board will further review

and discuss to determine whether the recommendations should be approved. The Board and the Audit Committee will factor in ESG related risks (including climate change related risks) to assess the effectiveness of our risk management. In addition, the Board will assess the material ESG issues (including climate change related issues) on an annual basis, and the results will also be an important consideration for our sustainable development.

During the Reporting Period, to better respond to the needs and expectations of stakeholders, we carried out material issues' identification. We referred to the disclosure guidelines of regulatory bodies, the concerned issues of capital market, rating agencies, international reporting standards organizations and benchmarked our disclosure against our peers. We gained understanding of the concerns of stakeholders with questionnaire and interview, combined with the feedback of stakeholders and the survey results of the Board and management to identify the ESG issues that are most relevant to our strategic direction in the future. As a result of the analysis above, energy use and carbon emissions were identified as an extremely important ESG issue. Therefore, energy use and carbon emissions are our ESG management's strategic focus.

Geely Auto has established a sound ESG management system (including the Board, the Sustainability Committee, and relevant management) to further strengthen the management of our ESG matters (including climate change). Please see Chapter 2 "ESG Mechanism" on page 8 of this Report for details.



Strategy

During the Reporting Period, the Chinese government further strengthened its contribution to climate change and aimed to “hit peak emissions before 2030 and achieve carbon neutrality before 2060”. Geely Auto highly recognizes global climate change’s risks and opportunities, and actively supports China’s efforts to achieve the goal of carbon neutrality before 2060.




In the identification of climate-related risks and opportunities, we referred to China’s carbon reduction targets set in the 14th Five-Year Plan, the potential impact of relevant policies on the industry and the industry’s life cycle. We adopted 2021-2025 as our time frame for short-term risks and opportunities, and will carry out formulation and implementation of various technical routes to carbon emissions reduction. In view of the cycle of major changes in the market and the industry, our time frame for mid-term risks and opportunities is 2026-2035. In view of technological revolution and changes in the national energy structure, our time frame for long-term risks and opportunities is 2036-2060.

To identify climate change related risks and opportunities that have significant financial impacts on us, we have taken the relationship between climate change and the automotive and mobility industry, government policies and industry trends, as well as our strategy and carbon reduction plans into consideration for analysis.




According to TCFD’s classification of risks, climate change related risks are divided into two major categories, namely, transition risks and physical risks. Transition risks result from the global transition to a climate-resilient low-carbon economy which include policy and legal, technology, market,

and reputation risks. Physical risks result from extreme weather events and rising global average temperature which include acute risks (typhoons, floods) and chronic risks (global temperature rise, sea level rise). We identified the following major climate-related risks and opportunities as follows:

Policy and legal risks:

-  We are required to abide by the “Measures for the Parallel Administration of the Average Fuel Consumption and New Energy Vehicle Points of Passenger Vehicle Enterprises” in China (hereinafter referred to as the “dual credit policy”). During the Reporting Period, the dual credit policy was revised, and the credit ratio requirements for new energy vehicles from 2021 to 2023 were confirmed. Automotive manufacturers must meet the requirements, otherwise they will need to make up for it through credit trading, thereby causing short-term risks;
-  In the medium and long term, as China strives for the goal of carbon neutrality, we may face stricter regulations, the credit price may continue to increase, and the penalties for non-compliance may be harsher;
-  As government tightens the environmental regulation, we may face stricter regulatory requirements and harsher penalties for non-compliance in terms of production energy consumption and emissions and the disposal of pollutants in addition to exhaust emissions.

Technology risks:

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



Market risks:

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

Reputation risks:

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

Physical risks:

- Exacerbated climate change may lead to major disasters including extreme weather events. In extreme cases, it may affect the stability of our operations and supply chain. Therefore, to prevent and counter physical risks, we need to invest more resources into risk identification and improvement in response planning and execution capabilities.

Although climate change presents the aforementioned risks to enterprises, it also provides unprecedented opportunities. Climate change urges us to vigorously develop low-carbon climate-resilient products and value chains to protect and stabilize our production value chain. At the same time, climate change stimulates our innovation and experimentation in products and businesses, such as the promotion of new energy technologies, which will help us adapting to a low-carbon economy and formulating the related business planning. More importantly, climate change brings considerable opportunities for developing resilient business models and new products, such as new energy mobility services and new energy vehicles, to meet the market and customers' expectations of sustainability and low-carbon mobility.

In view of reforms in the global automotive industry and the rise of the new energy vehicles market, Geely Auto has formulated the relevant strategy and announced two Blue Geely Action Plans in 2021 to address the climate change related risks and opportunities:

Plan 1:

Intelligent energy-saving and new energy vehicles: hybrid electric vehicles, plug-in hybrid electric vehicles, extended-range plug-in hybrid electric vehicles, and small-displacement energy-saving vehicles.

Plan 2:

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



The Blue Geely Action Plans not only retain our advantages in traditional energy-saving and new energy vehicles, but also open up a new prospect for intelligent pure electric vehicles. The two plans constitute a complete Blue Geely action plan, taking the timing of carbon peak and carbon neutrality into consideration, to contribute to global carbon neutrality.

We will take the Blue Geely Action Plans as the core, to further formulate and implement technical routes, and integrate in our business strategy to contribute to climate change mitigation. At present, teams from our R&D, strategy, manufacturing engineering, procurement have formed a carbon neutrality task force to develop detailed carbon reduction plans and contribute to the carbon neutrality goal, in terms of renewable energy, renewable materials, petrol vehicles, electric vehicles, recycled materials, weight reduction, exhaust emissions, factory emissions, supply chain, etc.

Risk management

The Group has a well-established risk management framework and related risk management policies, which also apply to climate-related risks. In accordance with this risk management framework, the management established risk management policies and internal control procedures to identify, evaluate and manage risks. Each business unit implements such policies and processes in the daily operations and reports the significant risks identified to the management regularly. The management assesses and

evaluates these significant risks reported then allocates sufficient resources to address these risks and monitors the risk management status reported by the relevant business unit from time to time. The management will communicate the risk management and internal control findings to the Board for its assessment of the effectiveness of the relevant risk management and internal control systems of the Group. The Board and the Audit Committee, through their risk oversight role, ensure that the management establishes an effective risk management, consistent with the Group’s strategy and risk appetite.

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

We manage climate-related risks by developing risk response strategies based on the risk significance and the complexity of addressing such risks. For major climate-related risks, we established cross-functional special task force to formulate response plans (such as the dual credit management task force and carbon neutrality task force). As mentioned in the “Governance” section, the Sustainability Committee is also responsible for regularly reviewing the risks and opportunities of climate change, as well as overseeing the implementation of climate-related measures to further improve our climate-related risk management. For climate-related risks and other important risks mentioned in the “Strategy” section, we have developed risk management processes as described in the following sections listed below:

Major climate-related risks	Countermeasures (Chapter and section)
Vehicle exhaust emissions	4.2 Vehicle Emissions Reduction
Shared mobility	3.1 R&D and Innovation
Carbon reduction in production process	4.3 Green Production
Water resources management	4.3 Green Production
Materials recycling	4.4 Low-Carbon Value Chain
Low-carbon packaging and logistics	4.4 Low-Carbon Value Chain



Metrics and targets

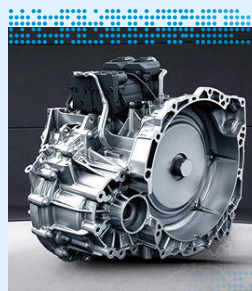
Our climate-related indicators are as follows.

Financial category	Related Section	Indicator	Unit	2018	2019	2020
Revenue	4.2	Sales of new energy and electrified vehicles (NEEVs)	Unit	67,069	113,067	68,142
Revenue	4.2	Proportion of products offering NEEV version at the year end	%	33	57	75
Revenue	4.2	Corporate Average Fuel Consumption (CAFC) ¹	Litre/100km	5.60	5.53	6.24
Revenue	4.2	Average fuel consumption credits ¹	Credit	963,296	283,457	-1,234,120
Revenue	4.2	New energy vehicle credits ¹	Credit	315,801	247,671	-22,584
Expenditures	4.3	Proportion of renewable energy in vehicle plants' energy consumption	%	4.95	6.85	8.68
Assets	4.3	Greenhouse gas emissions per unit of sales (vehicle plants' scope 1 and 2)	tCO ₂ e/unit	0.38	0.41	0.43

Please refer to the related sections for discussions on the above climate changed related metrics.

Note:

1. Geely Holding Group's subsidiaries, in possession of the automobile catalogue, performed final assembly of the complete knock down kits purchased from the Group (including Lynk & Co), facilitated payment of the PRC consumption tax, and then sold the complete buildup units assembled back to the Group for distribution. The double credits and corporate average fuel consumption were determined based on these companies' respective figures arising from these complete buildup units



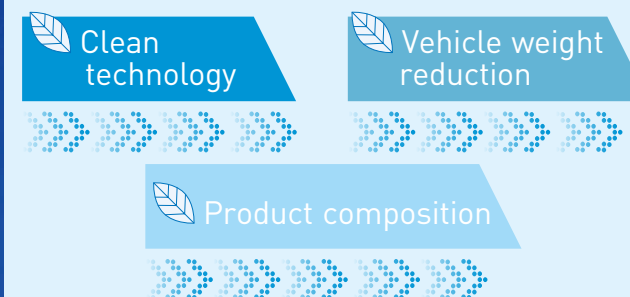
• Geely Auto's 7DCT transmission reaches a transmission efficiency of 97.2%



• The Group's engines have been awarded "China Heart" Top Ten Engines in China for seven consecutive years. Our transmissions have been awarded The World's Top Ten Transmissions for two consecutive years

4.2 VEHICLE EMISSIONS REDUCTION

Vehicle use is the most important stage in a vehicle's carbon footprint. To reduce the carbon emissions of our products during their use, we adopted the following measures.



Clean technology

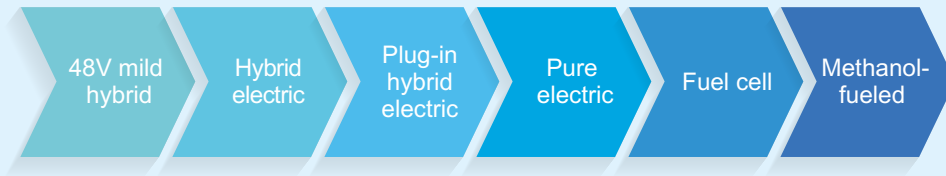
Powertrain technology

Geely Auto upholds the strategy of energy conservation and emissions reduction, and implements the concept of innovation, low-carbon, and environmental protection. While ensuring power performance and user experience, we work on reducing our products' negative environmental impacts. The Group's engines cover naturally aspirated engine, dual variable valve timing (DVT), turbocharging, and gasoline direct injection which apply advanced technology to reduce original emissions and fuel consumption. We developed a dual-cycle cooling system for engine thermal management system to achieve fast engine warming up and thus, reduce fuel consumption. In addition, the 7DCT gearbox, which took 5 years to develop, provides a 97.2% transmission efficiency and is equipped with electronic gear-shifting technology to reduce energy consumption.

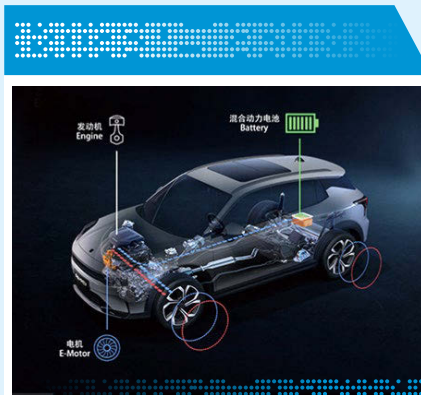
In the future, our engines will be equipped with technologies such as the Miller cycle, high compression ratio, EGR, etc. to improve thermal efficiency, reduce fuel consumption, and enhance environmental performance.

New energy and electrification technologies

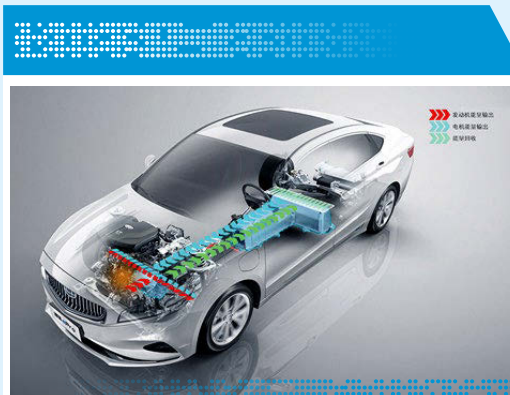
Geely Auto is actively working on developing new energy and electrification technologies which cover:



Please refer to Chapter 3 page 19 of this Report for more details on these technologies.



- Lynk & Co 06 MHEV draws on intelligent energy management, intelligent engine torque management, intelligent start-stop, and cruise control to reduce its overall fuel consumption up to 5.9L/100 km and achieving a maximum fuel saving of 15%.



- Geely Auto's ePro series are PHEV models and achieve zero emission when powered by battery. Hybrid power is used during rapid acceleration, together with an intelligent distribution of the output from engine and electric motor, can achieve an optimized balance of power and fuel efficiency. The comprehensive fuel consumption of Xingyue ePro, launched in 2020, can be as low as 1.2L/100 km.

To further promote electric vehicles, we formulated a number of measures to extend the driving range and battery life.

Extend Driving Range

- ⚡ Increase vehicle batteries' capacity per volume
- ⚡ Develop high-voltage system, high-nickel system, and C-Si composite system to increase the specific capacity of the battery
- ⚡ High efficiency motor system
- ⚡ Vehicle light weighting and wind resistance reduction

Achieve Fast Charging

- ⚡ Increase charging rate
- ⚡ Precise calibration

Lengthen Battery Life

- ⚡ 100,000 km degradation free ternary lithium battery
- ⚡ 200,000 km degradation free lithium iron phosphate battery
- ⚡ Optimized battery safety strategy
- ⚡ Cycling use of materials for cathode and anode
- ⚡ Develop high-performance electrolyte
- ⚡ Improve the matching of battery application scenarios through learning users, driving habits
- ⚡ Develop efficient battery thermal management



The driving range of our products increases each year. Geometry C, launched during the Reporting Period, provides a range of 550 kilometres. Our future products based on SEA will achieve a range of more than 700 kilometres.

In February 2021, we announced that Geely Auto and Volvo Cars AB (publ) (hereinafter referred to as "Volvo Cars") have found the best combination solutions and both parties will combine powertrain operations through equity merger to develop powertrain products and next-generation dual motor hybrid system (applicable to hybrid electric vehicles and plug-in hybrid electric vehicles). This will further enhance the energy saving and emissions reduction performance of our traditional energy-saving vehicles and hybrid-powered vehicles.

We will also collaborate with Volvo Cars to jointly develop the next-generation modular electric vehicle architecture, share technologies on electrification (including battery packs and electric drive systems) and intelligent connectivity and carry out joint procurement to reduce costs. These will help us building more competitive future pure electric vehicles and further promote zero-emission products.

Vehicle weight reduction

Vehicle weight reduction will effectively reduce energy consumption for all types of vehicles. In recent years, we put considerable efforts into the research and application of vehicle weight reduction technology and achieved weight reduction of more than 50 kg on average for 25 products. New product architectures, such as SEA, are heading towards the industry leading level, L-class. In addition, we also try to advance our lightweight strategy to a higher standard of lean engineering of each component.

Case: Vehicle weight reduction of Geely ICON

System	Weight loss (kilogram)	Approach
Power	7	Structural optimization, integrated design, aluminum alloy
Chassis	7.5	Integrated design, layout optimization, high-strength steel
Body	36	High-strength steel, structural sealant, CBS, panel
Exterior trim	1	Modeling optimization
Interior trim	8	Thin-wall high rigidity
Electrical equipment	2.2	Integrated design, wiring routing optimization
Total	61.7	



We also mastered other core technology of vehicle weight reduction such as tailor rolled blanks (TRB). This technique can form different thickness at different positions of the materials and thus, provide thickness transition according to performance requirements. For instance, TRB can increase the thickness at positions with high crash and collision risks and decrease the thickness at the other positions, so vehicle weight can be reduced while improving vehicle safety. At present, we have applied this technique on many key structures of the vehicle body and made it a structure-specific technique.



Product composition

Majority of traditional petrol cars sold by Geely Auto have been energy-saving models. Meanwhile, we adopt a diversified new energy strategy and provide a variety of new energy vehicle products to satisfy customers in different regions and of different groups. Therefore, we further promote new energy vehicles and can contribute to emissions reduction.

Geely Auto’s current product matrix is dominated by energy-saving vehicles and new energy vehicles. As of the end of 2020, approximately 91% of our products offered models with a displacement of 1.6L or less. Due to changes in the policy of new energy vehicle subsidies, COVID-19, etc., the sales of new energy and electrified vehicles totaled 68,142 units, a decrease from the previous year. However, we are still committed to providing customers with more choices of new energy and electrified vehicles. As at the end of 2020, approximately 75% of our products offered new energy and electrified version, marking a sharp increase from 57% at the end of 2019.

In addition, we act in strict accordance with the dual credit policy of China. Due to the abovementioned reduction in sales volume of NEEVs and the high proportion of sales volume of SUVs which we of relatively high fuel consumption, we generated negative average fuel consumption credits and new energy vehicle credits during 2020. We are highly concerned on the situation and the related risks. Therefore, we followed Blue Geely Action Plans to expedite the planning on the future product composition. In March 2021, we have started implementing Blue Geely Action Plan 2, to establish a brand-new pure electric vehicle brand, Zeekr, to provide more competitive intelligent pure electric vehicles built on SEA, to accelerate the increase in the proportion of electric vehicles in our product composition. Furthermore, our second generation HEV will launch in 2021 which can achieve a fuel-saving of 45%, a substantial improvement in competitiveness, and thus, can also help to boost the increase in the proportion of new energy vehicles in our product composition.

During the Reporting Period, we have established our dual credit management task force to actively respond to the market-based mechanism coordinately developed by energy-saving vehicles and new energy vehicles. We developed an overall strategy and specific tasks to satisfy the dual credit policy. We incorporate fuel consumption goals and new energy vehicle credit as our product design’s indicator during the product planning and R&D. On the other hand, in line with market demand, we continue to promote new energy vehicle products and the application of energy-saving technologies in traditional petrol cars to actively respond to national policies and contribute to the development of new energy vehicle industry.

In the future, we plan to optimize our product composition in line with the two Blue Geely Action Plans. The Plans will further increase the proportion of sales of energy-saving, low-emission and zero-emission products, reduce our carbon footprint, and move towards to the long-term carbon neutrality goal.

Note:





1. The production plants mentioned in this section are all located in China

4.3 GREEN PRODUCTION¹

Geely Auto upholds the following environmental principle:

Build green factories that are harmless to the environment and make green cars that are beneficial to mankind.

Goals in the short term:

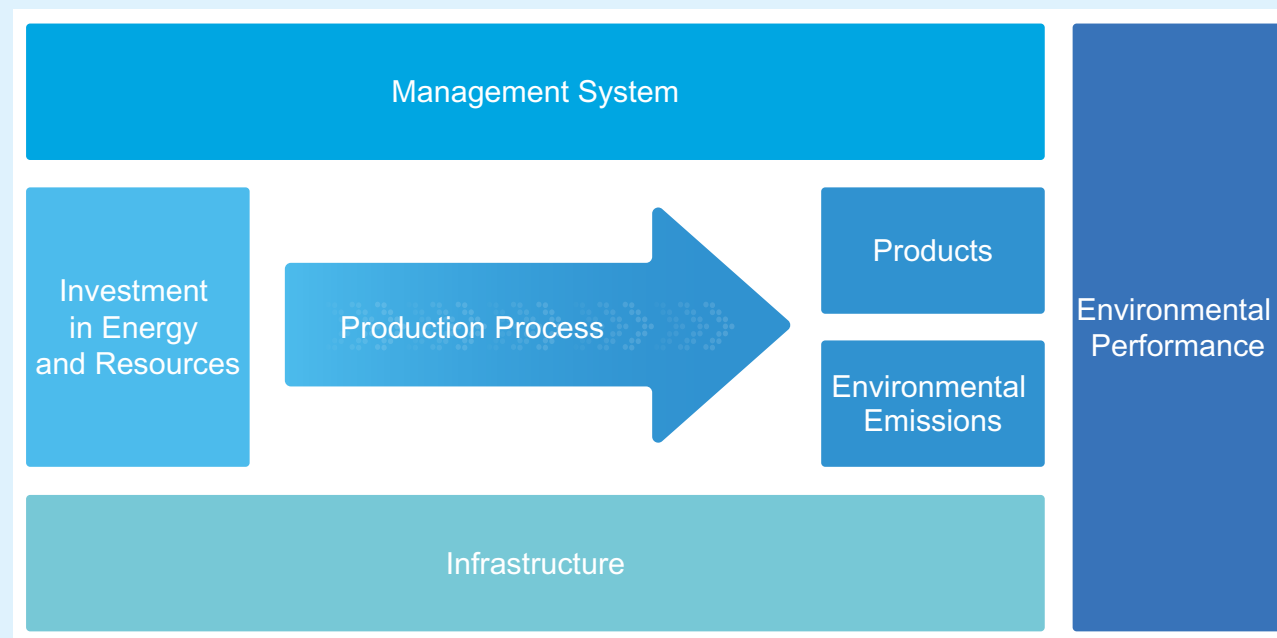
-  Establish energy management system at more production plants;
-  Build more solar photovoltaic (PV) power plants to increase the proportion of clean energy;
-  Strengthen the reuse and recycling of water in the production process;
-  Implement standards on treatment of air pollutants, wastewater and solid waste that are stricter than national standards.

Goals in the long term:

Conduct frontier research and its application to lead the future development of green factories in the automobile industry. Continue to promote all our production plants to obtain green factory, green building and energy management system certifications. Achieve a final goal of 100% renewable energy and electricity and 100% green factories.



Since 2018, we have been building sustainable green factories and green industrial buildings in accordance with the “Evaluation Requirements for Green Factories” and made reference with guidelines such as the “Technical Rules for the Evaluation of Green Industrial Buildings”, the “Evaluation Standards for Green Industrial Buildings”, and “Guidelines for the Evaluation of Green Industrial Buildings”. According to the “Evaluation Requirements for Green Factories”, each production plant needs to introduce the concept of life cycle and satisfy requirements on infrastructure, management system, energy and resource investment, product, environmental emissions, and environmental performance. The production plants also need to work on energy conservation and carbon reduction, water resources management, and pollutant emissions management, strengthen development of management system (such as energy management framework), invest in infrastructure and equipment, and commit to continuously improving environmental performance.



Evaluation Indicators for Green Factory

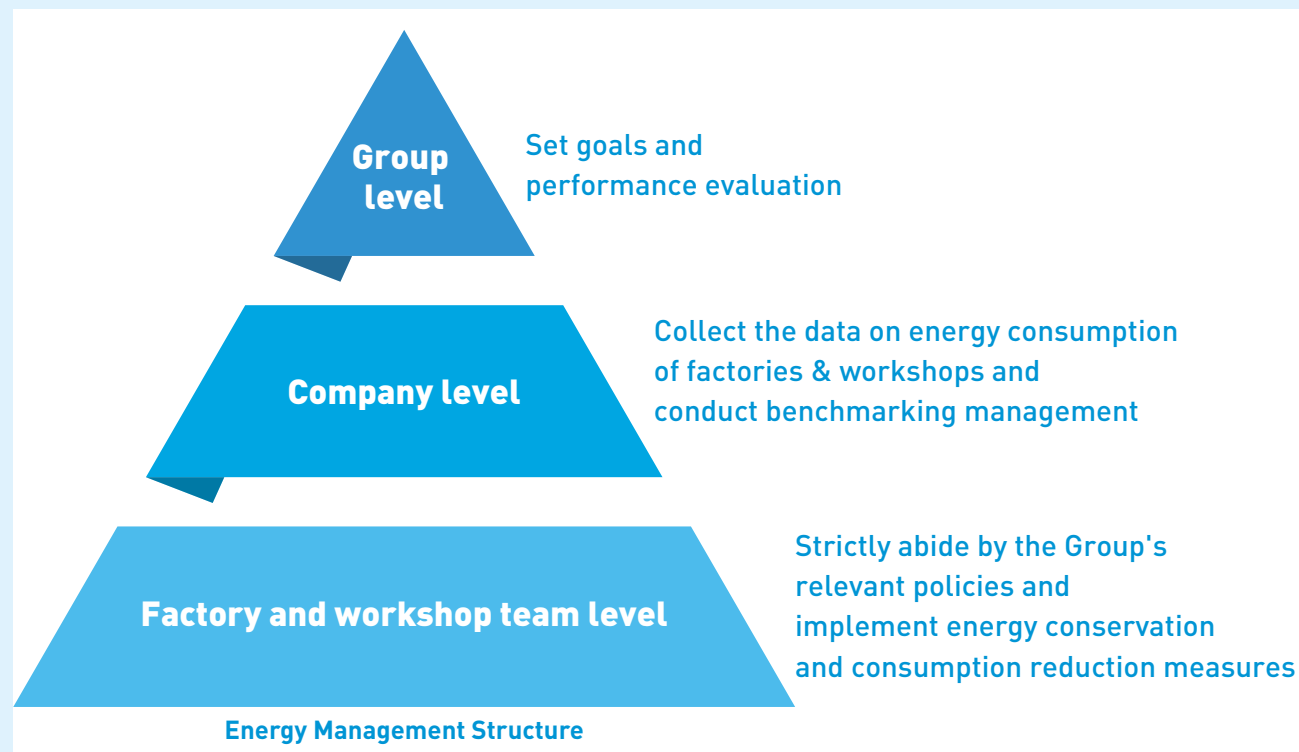
As of the end of 2020, our Chunxiao plant, Baoji plant, Zhangjiakou plant, and Linhai plant received the green factory certifications from the Ministry of Industry and Information Technology (hereinafter referred to as “MIIT”). The Zeekr plant obtained the national three-star green building design label. It is expected to obtain the green factory certification after its first year of mass production.

Energy conservation and carbon reduction

In terms of energy consumption management in the production process, we implement a three-level energy management structure, namely, group level, company level, and as well as factory and workshop team level. The Group and the production plants have established respective energy management policies and procedures to improve the energy management efficiency of each plant and its workshops. In addition, the Group formulate, for each production plant, next year’s goal of the energy consumption per vehicle produced based on historical data, benchmarking, production volume forecast and evaluate their performance accordingly. We collect each production plant’s data on energy consumption data on a monthly basis and carry out comparative analysis, benchmarking and sharing of excellent case on energy saving, to guide our plants on achieving energy conservation and consumption reduction.

Factory and workshop team level is required to strictly abide by the Group’s internal energy management policies, focuses on data based on the energy consumption per vehicle produced’s goal and implement energy conservation and consumption reduction measures during their operations.





Energy consumption management

During the Reporting Period, we continued to promote the low-carbon operation of green factories by adding the energy management system (EMS), performing energy conservation audits, and raising the front-line employees' awareness on energy conservation and consumption reduction.

EMS coverage reached 50% and has been running in production plants including the Baoji plant, Linhai plant, Hangzhou Bay DMA plant, Zhangjiakou plant, and Yuyao plant. EMS includes functions such as data collection and report generation. It supports energy management departments' energy-saving measures such as abnormality analysis and benchmarking management to strengthen the real-time and dynamic analysis of energy consumption of the production plants;

We send an expert working group to our subsidiaries to conduct energy conservation audits and diagnosis from time to time. In 2020, the energy consumption per vehicle produced of Zhangjiakou plant dropped by 35.15% as compared with that in 2019;

In April 2020, we organized the Energy Conservation Month event and aligned it with Earth Day 2020 on April 22 to raise all employees' awareness of energy conservation and consumption reduction.

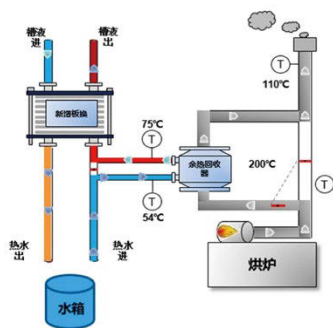
During the Reporting Period, we carried out process improvements and equipment upgrades to reduce energy consumption in the course of production. For example, for the energy-intensive painting process, we recovered the waste heat of the drying furnace to save energy. This process has been applied to Linhai Plant, etc. During the Reporting Period, we upgraded the paint shop's waste heat recovery system at Yuyao plant for energy conservation and planned to apply to more production plants.



Case: Drying furnace waste heat recovery in the painting process at Linhai plant

Energy saving measure: Adopted waste heat collectors to recover the heat of high-temperature exhaust gas from drying furnace, exchanged heat with pre-treatment hot water, and used the collectors to form a "heat bridge" between drying and pre-treatment.

Effect: Saved 66 Nm³ of natural gas per hour. Temperature of exhaust gas dropped from 250°C to 110°C. Heat recovery per hour was 571,200 kcal based on 12,000 Nm³/h of exhaust gas, which was used to increase the temperature of return water from 70°C to 90°C.



During the Reporting Period, the renewable energy consumption in the Group's vehicle plants reached 118.71 million kWh, including 74.00 million kWh from solar PV and 44.71 million kWh of directly purchased hydropower. In addition, solar PV was also installed in our R&D centre in 2020 and provided 0.96 million kWh for R&D and office uses. Our total solar PV's installed capacity was approximately 110 MW and 100.12 million kWh was generated during 2020, and the excess amount has been supplied to the grid. This was equivalent to saving approximately 70,000 tonnes of CO₂ emissions as compared with coal power plants.

We plan to gradually increase our solar PV investments and estimate to reach a total installed capacity of 260 MW in 2021 and annual electricity generation exceeding 260 million kWh, equivalent to saving approximately 180,000 tonnes of CO₂ emissions as compared with coal power plants.

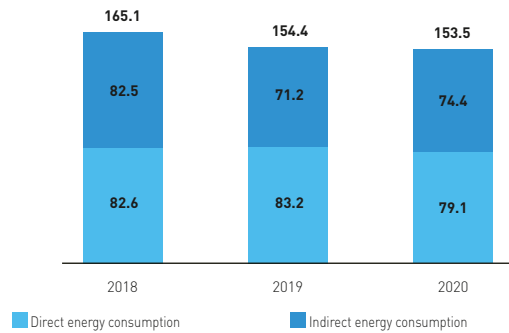


Renewable energy

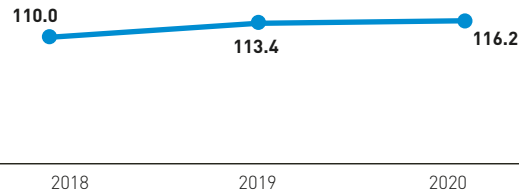
The Group continuously invest in renewable energy to make use in operation. As of the end of 2020, we invested in solar PV power plants in 9 production plants including Linhai, Xiangtan, and Hangzhou Bay. We installed solar PV panels on the roof of the workshops and in the parking lots. The Chengdu plant signed an agreement with the local power supplier to directly purchase hydropower during the wet season for supplying manufacturing facilities and residential facilities.



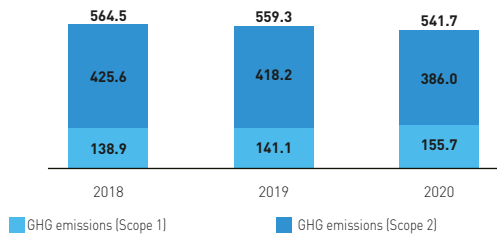
Vehicle Plants' Direct and Indirect Energy Consumption (thousand tons of standard coal)



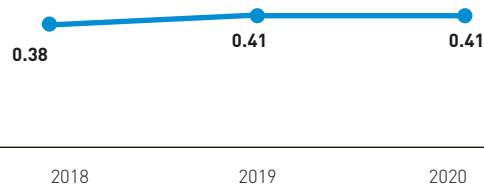
Vehicle Plants' Energy Intensity (kg of standard coal/vehicle)



Vehicle Plants' Greenhouse Gas Emissions (tCO₂e)



Vehicle Plants' Greenhouse Gas Emissions Intensity (tCO₂e/vehicle)



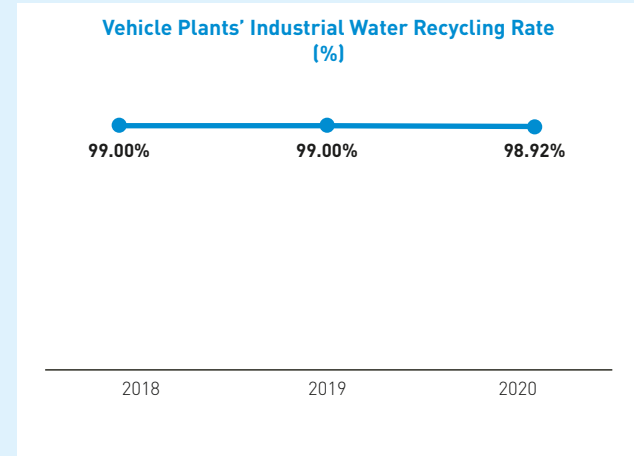
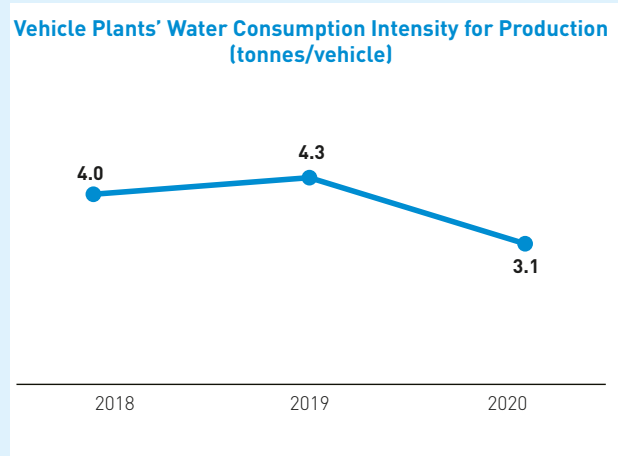
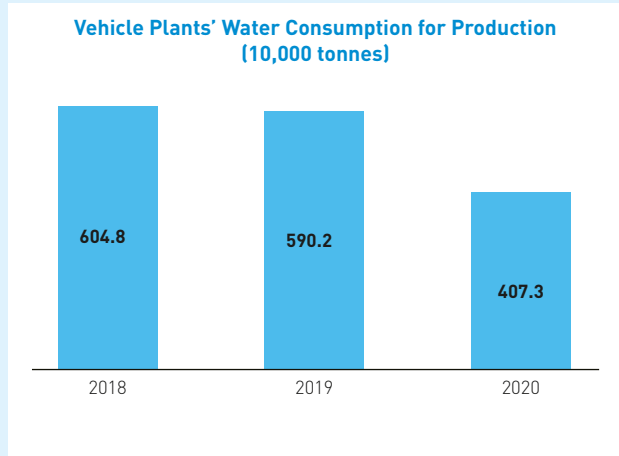
Water resources management

We conducted environmental impact assessment and considered the situation of local water resources when selecting the sites for production plants. We adopt the principle of "Water reuse and water reclamation" to reduce water discharge and improve water efficiency. During the Reporting Period, we do not encounter any issue in sourcing water that is fit for purpose no problem with the water sources we used.

- Adopted water-saving and water-recycling solutions such as overflow rinsing and ultra filtration water treatment in the paint shop;
- Upgraded to advanced dry spray painting and used boxes to absorb the paint mist, and thus, saving water compared to the traditional wet spraying process;
- Adopted closed-loop water circulation to reuse the water for rain test in general assembly.

As new plants equipped with dry spray painting gradually started production, the effect of reduction in water consumption becomes more noticeable, resulted in a significant reduction in the vehicle plants' water consumption for production during the Reporting Period. At the same time, the proportion of circulated water in the pre-painting process increased, which reduced industrial water consumption to a large extent. In the past three years, we have seen consistent decreases in the water consumed in production. The water recycling rate has maintained at 99%, which greatly saved water resources.





During the Reporting Period, we upgraded the water saving process and equipment in Chunxiao plant, Linhai plant, Yuyao plant, etc. We equipped the majority of our production plants with water reclamation facilities to improve water efficiency and reduce water consumption.

Case: Chunxiao and Linhai plants upgraded water saving process and equipment

Dry box spray booth

Measure: Dry spray paint booth + air circulation technology

Effect: No industrial water consumption. Based on 30 jobs per hour and a single shift of 10 hours, saved industrial water consumption of 3,350 tonnes/year and reduced wastewater by 2,150 tonnes/year.



Case: Recycling effect of reclaimed water in Yuyao plant

Water reclamation facilities

Measure: Use reclaimed water for miscellaneous purposes, such as plant watering, road washing, and toilet flushing.



Pollutants discharge management

The Group act in strict accordance with laws and regulations including the “Environmental Protection Law of the PRC”, the “Air Pollution Prevention and Control Law of the PRC”, the “Law of the PRC on the Prevention and Control of Water Pollution”, the “Law of the PRC on the Prevention and Control of Solid Waste Pollution”, the “Law on the Prevention and Control of Noise Pollution”, and the “Standard for Fugitive Emission of Volatile Organic Compounds”. During the Reporting Period, 100% of our production plants received the ISO 14001 environmental management system certification.

We developed our Health, Safety and Environment (HSE) management procedures, standards, and evaluation specifications. In terms of Environment, we developed the “Environmental Factor Identification and Evaluation Procedures”, the “Water Pollution Prevention and Remedy Procedures”, the “Air Pollution Prevention and Remedy Procedures”, the “Solid Waste Pollution Prevention and Remedy Procedures”, the “Environmental Noise Pollution Prevention and Remedy Procedures”, and the “Greenhouse Gas Emissions Audit Standards” to standardize and strengthen the relevant compliance of our production plants.

During the Reporting Period, our plants classified pollutants and carried out daily, monthly, quarterly and annual environmental monitoring, and implemented real-time monitoring of wastewater and exhaust gas. At the same time, we organized the annual evaluation and irregular unannounced inspections, which include a comprehensive evaluation of the delivery of “three simultaneities”¹, pollution prevention, environmental monitoring, and compliance with pollutant discharge limits, to supervise and manage the pollutants at all plants. During the Reporting Period, our production plants were 100% compliant with the national standards on wastewater, air pollutants, noise emission as well as solid waste disposal.

In addition, we incorporated environmental emergencies, environmental complaints, administrative penalties, and rectification notices as environmental evaluation indicators for our production units and included in their target commitment. The targets were further broken down to company/factory/workshop level and were assessed at the end of the year to strengthen the emphasis on environmental protection and pollution emissions.

Note:

1. The “Work Safety Law of the PRC” requires production and business units’ safety measures must follow the principle of “three simultaneities” when building, renovating, or expanding a construction project. The “three simultaneities” principle means that a construction project’s pollution prevention and remedy measures must be simultaneously designed with the construction, simultaneously built with the construction, and simultaneously be put in production and use

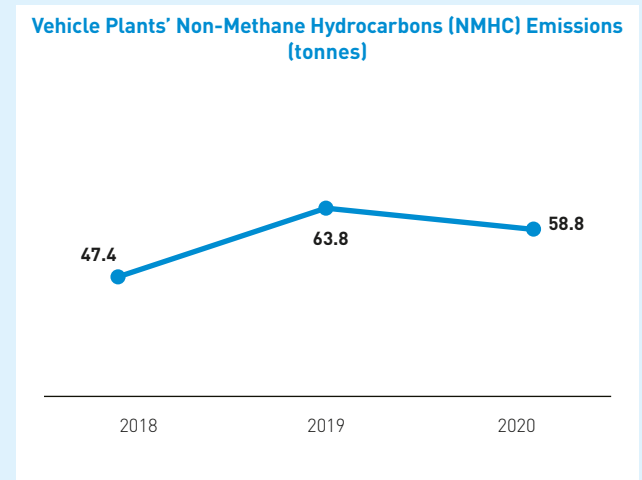
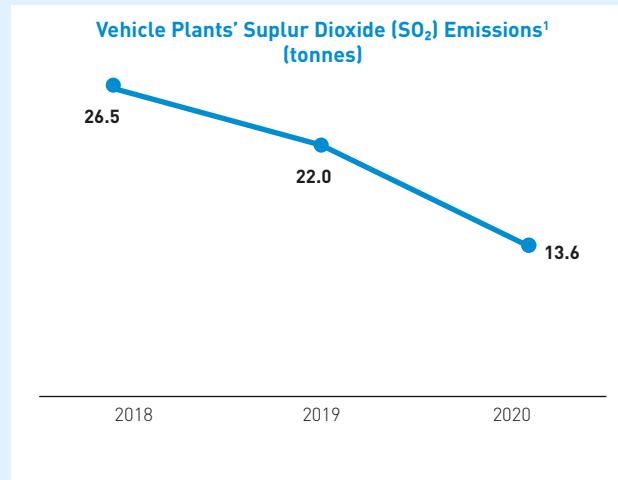
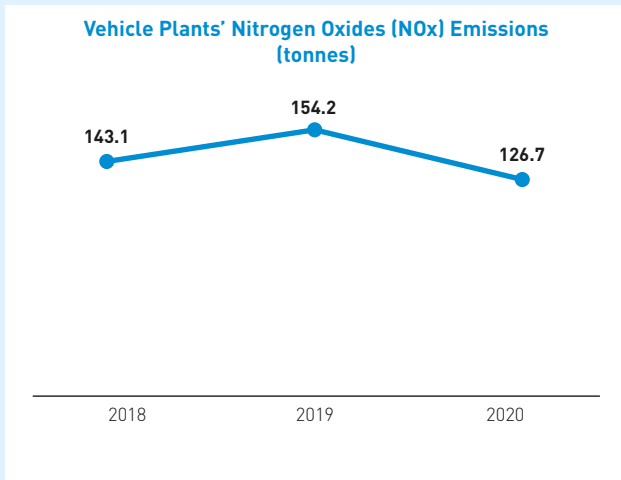


Air pollutants management

Our air pollutants mainly come from spraying paint and drying in the paint shop. New plants such as Hangzhou Bay plant adopted fully automatic spraying and use water-based paint for the middle and color paints of the large-scale painting, which greatly reduced the emission of volatile organic compounds (VOCs). In addition, the large-scale painting line uses dry paint mist removal. After applying zeolite runner concentration, the small painting line adopts dry paint mist removal. At the same time, we introduced regenerative thermal oxidizers (RTO), which used incineration to uniformly treat the organic waste gases collected from each painting line, and increase the VOCs purification efficiency to more than 90%.



- RTO treatment achieved more than 90% of VOCs purification



Note:

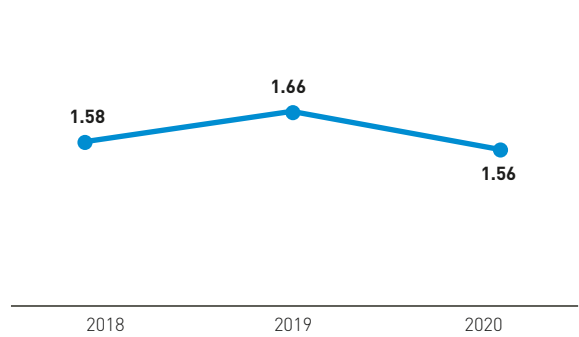
1. The main reason for the decline in SO₂ emissions from vehicle plants is the reduction in sulfur content of local natural gas sources



Wastewater discharge and management

Our production wastewater mainly comes from painting and water test. The production wastewater is treated by our in-house treatment facility and then discharged into municipal sewage treatment stations. Eventually, it is discharged to the sea after it reaches the Class I Grade A standard of the "Pollutant Discharge Standard for Urban Sewage Treatment Plants".

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



Wastewater management

1. Production wastewater mainly comes from mold washing, e-coating, degreasing, phosphating, spray painting, rain test, machining processes and domestic wastewater. The pollutants in the wastewater can satisfy discharge standards after our treatment. Our sewage treatment system is able to maintain stable compliance with wastewater discharge standards;
2. Adopt a piping system consisting of pipes easily distinguishable so as to transport water of different qualities and thus, achieving separated flows of clean water, rainwater and wastewater. Domestic and production wastewater are also treated separately according to their quality;
3. Collect and transport wastewater generated from production processes with dedicated pipes for easy monitoring and maintenance. Use anti-corrosion pumps for waste liquid transfer pumps to avoid leakage. Mark different wastewater collection pipes with different colors to facilitate pipeline inspection;
4. Adopt hardened flooring for the production areas, warehouses, auxiliary production facilities, and wastewater treatment unit. Ensure necessary anti-corrosion, anti-leakage measures for the vehicle body pre-treatment area, petroleum and chemicals warehouse, hazardous waste warehouse, and sewage station to prevent substances and wastewater from infiltrating. Implement groundwater sampling and monitoring;
5. Set up standardized sewage discharge outlets, install sewage monitoring devices to monitor water quality in real time;
6. Emergency preparedness: In the event of a sudden environmental pollution, the wastewater affected will be connected to the emergency pool and be tested after the event is handled. This affected wastewater will be treated and only discharged after meeting the required standard.



Solid waste management

During the Reporting Period, to further standardize the management of industrial solid waste, we regulated our solid waste management in accordance with the revised the “Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste” (hereinafter referred to as the “Solid Waste Law”).



Our hazardous waste mainly comes from waste oil, waste plastic barrels, waste paint, and sludge, generated in automobile assembly, welding, painting, maintenance, and scrapping. To reduce hazardous waste, the Group acts in strict accordance with national laws and regulations to ensure the proper management of the disposal of hazardous waste. During the Reporting Period, we launched the 2021 Zhejiang Hazardous Waste Treatment Project and invited tenders to bid for centralized hazardous waste disposal, helping our production plants to reduce costs and improve efficiency in terms of hazardous waste management.

Interpretation of the revised Solid Waste Law and training on the standardized management of hazardous waste









During the Reporting Period, our R&D Institute organized two large training sessions on the interpretation of the revised Solid Waste Law and standardized hazardous waste management for more than 50 employees. The sessions enriched the professional knowledges of the relevant personnel. In addition, we carried out compliance assessment in line with the contents of the training sessions to identify problems and ensure rectification and improve our operational compliance.



Green office

We not only pay attention to the environmental protection in production and the construction of green factories, but also advocate green and low-carbon office and guide employees to develop energy saving and consumption reduction habits. We aim to promote sustainable working style to reduce our office premises' environmental impact.

We continue to optimize our management of electricity and water conservation in the office and improved relevant policies such as the "Administrative Measures for Official Vehicles", the "Administrative Measures for Office Supplies", etc. We strongly discourage wastage and promotes the concept of energy savings and low-carbon to our employees by taking measures such as resources consumption data monitoring, publicity and training, supervision, and rewards and punishments.

Air-conditioner (AC) energy saving measures	Lighting energy saving measures	Other energy saving measures
<ul style="list-style-type: none">  Require doors and windows to be closed when the AC is on;  Turn on the AC only when outdoor temperature is above 30°C in summer and set not lower than 26°C. In winter, set the AC no higher than 18°C;  Turn on the AC 1 hour after arrival at work and turn off 20 minutes before leaving the office. 	<ul style="list-style-type: none">  Replace traditional lights with energy-saving lights to save more energy;  Turn on only half of the lights in the lobby via traffic flow optimization. Put up "Please turn off the light when you leave" signs next to light switches;  Employees need to ensure turning off lights in offices and meeting rooms when they leave. Security patrols at 9pm every day to turn off lights in empty rooms. 	<ul style="list-style-type: none">  Elevators stops at every alternate floor. Discourage taking elevators for 6/F or below;  Strengthen the energy management of office equipment such as computers, printers, and copiers. Reduce standby consumption. Turn on the devices right before use and turn off after use or before getting off work.

4.4 LOW-CARBON VALUE CHAIN

Life cycle analysis

We began to study on life cycle carbon emissions reduction since 2017 and developed life cycle assessment (LCA) system to gradually carry out carbon emissions analysis of parts and vehicle plants. For new models, we perform a stimulation analysis throughout their life cycle, including raw materials, production, utilization, and recycling, to identify carbon emissions factors and advise on vehicle production, including the selection of production process, energy type, emissions control, and recycling, to reduce the carbon footprint of our vehicles.



Borui GE



B-class sedan - 48V MHEV 1.5T+7DCT

Total carbon emissions:
33,125.8 kgCO₂e

Life cycle carbon emissions:
220.8 gCO₂e/km

Binyue



Compact SUV - G-Power 240T+6DCT

Total carbon emissions:
33,330.0 kgCO₂e

Life cycle carbon emissions:
222.2 gCO₂e/km

Lynk & Co 02



Crossover SUV - 1.5TD+7DCT

Total carbon emissions:
35,077.6 kgCO₂e

Life cycle carbon emissions:
233.9 gCO₂e/km

We successfully developed some sustainable materials and put them into application to enhance the environmental performance of our vehicles. During the Reporting Period, we used recycled steel, recycled aluminum, recycled plastics, recycled fabrics (used as seat fabric, headliner, etc.) and natural fibers (hemp, straw, etc.) and continued to promote sustainable materials. We used hemp fiber composite for door panels on the Xingyue model to promote sustainable materials. As an organic replacement of glass fiber, hemp fiber not only reduced the weight of the vehicle body, but also lessened the environmental impact with its degradability.

Lynk & Co models in Europe adopted new eco-friendly materials

Lynk & Co 01 launched in Europe used ECONYL, a new eco-friendly fabric (yarn, etc.) made from waste, such as recycled industrial plastics, marine debris (fishing nets, etc.), and fabric scraps. The recycled raw materials are processed by a chemical plant for decomposition and then reprocessed to become regenerated nylon materials for interior trim.



Note

1. The life cycle carbon emissions were calculated with reference to the ISO 14040/44 Environmental Management-Life Cycle Assessment

Application of sustainable materials

The environmental performance and sustainability of automobile materials forms an important part of vehicle production. We promote the development of new materials with better recyclability and environmental performance, promote the application of alternative materials and recycled materials, and continue to expand the uses of recycled materials as well as improve the quality of recycled products. These can form a green competitive advantage, and contribute to the green development of our value chain.

During the Reporting Period, we advocated the initiative of sustainable development and established a sustainable material application strategy, a recycling certification system, which resulted in set of management procedures and standards. We implemented effective control of the source of materials and manufacturing processes of suppliers. We worked with steel, aluminum and plastic materials suppliers to jointly develop sustainable materials and expand the uses of recycled materials, which in turn strengthened our ties with the suppliers.



Green packaging

Traditional packaging for auto parts mainly focuses on safety and stability. As China promotes an environmentally friendly, resource-conservative society, we started to adopt recyclable packaging materials such as plastic boxes and iron pallets. Moreover, we promote the concept of green packaging based on the actual circumstances of our production plants and the packaging materials' features. During the Reporting Period, we continued to promote green packaging by increase the use of recyclable packing materials and reduce consumption of packaging materials.

Zhangjiakou plant implemented green packaging model

During the Reporting Period, we noted that Zhangjiakou plant used relatively more disposable paper packaging and thus, we optimized the packaging methods of 35 suppliers, by adopting leasing and sharing of recyclable packaging materials, converting the use of disposable packaging into recyclable packaging. This program not only helped reducing packaging cost, but also the auto parts can be unpackaged more easily and reduce disposables.

We require suppliers in China to use recyclable packaging if they are located no more than 1,000 km from our plants. Under our influence, 75% suppliers in China used recyclable packaging materials in 2020 (2019: 70%), covering 84% of parts (2019: 82%). During the Reporting Period, we enhanced data collection and analysis of packaging materials. The tables below shows our usage of recyclable packaging and disposable packaging.

Recyclable packaging	2018	2019	2020
Units used for packing engines (tonnes)	4,420	4,386	4,149
Units used for packing transmissions (tonnes)	980	854	1,060

* Recyclable packaging mainly includes plastic boxes and iron pallets.

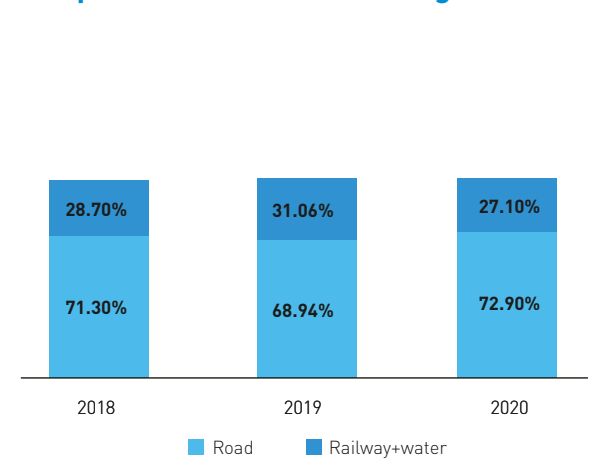
Disposable packaging used in vehicle manufacturing	
Consumption of disposable packaging materials (tonnes)	6,238
Intensity of disposable packaging materials (kg/unit)	5

* Disposable packaging mainly includes waste carton boxes and wooden pallets. We engage qualified third parties to recycle/reuse such packaging materials after they are scrapped.

Low-carbon logistics

As the State Council issued the "Three-Year Action Plan for Winning the War to protect Blue Skies" in 2017, and the "Outer Dimension, Loads and Mass Limits of Motor Vehicles, Trailers, and Their Combos" was implemented in 2018, road transport faced great pressure and we shifted to low-carbon transport such as railway and water. From 2018 to 2020, the proportion of rail-water transport remained stable.

Proportion of Low-carbon logistics (%)





• Water transport



• Railway transport

In terms of warehousing, we built transit warehouses in Wuhan, Zhengzhou, Dongguan, Chongqing and Shenyang, in addition to the existing warehouses in Beilun, Jinan and Xi'an. These warehouses' total storage capacity is 14,900 units and are used with rail-water transport for transit and thus, reduce road transport and the related carbon emissions.

In terms of the use of new energy transport vehicles, we used 20 new energy transport vehicles for the transport between Hangzhou Bay to Ningbobei Rail Station, which served as a trial program. As of the end of 2020, we have initially reached cooperation with logistics providers and will further adopt the use of new energy transport if the trial program is satisfactory.

At the end of 2020, we reduced 477,838 tonnes of carbon dioxide emissions by switching from road transport to rail transport.



• Implementation Procedures for Storage Battery Traceability Management

Recycle and reuse

Recycle and reuse are important stage in the vehicle life cycle. We make active efforts to increase the recycling rate and reuse rate of our products. We restrict the use of non-recyclable materials, and prioritize the recyclability of materials in the components' design process.

Scrapped materials from vehicle			
	2018	2019	2020
Reusability (%)	94.4	94.2	93.7
Recyclability (%)	96.8	96.8	96.1

Note: See GB/T 19515-2015 Road Vehicles - Recyclability and Recoverability - Calculation Method

In active response to the national policies, we developed the "Administrative Measures on the Traceability of Recycled Storage Battery of New Energy Vehicles" to standardize the recycling of new energy vehicle batteries and its traceability. We monitored from production, sales, utilization, scrapping, and recycling to fully control the recycling and reuse of vehicle batteries.



Green achievements

In November 2020, the Ministry of Industry and Information Technology (MIIT) announced the list of “Demonstration Enterprises for Industrial Product Green Design”. With 4 national green factories, material recyclability over 96%, China Environment Label certification, more than 100 low fuel consumption technologies, an intelligent and healthy ecosystem for all scenarios and throughout the vehicle life cycle offering 4 layers of protection, Geely Auto was the only passenger car company selected on this list. In terms of manufacturing and product development, we have exceeded national health and safety standards.

In addition, we continued to gain more recognition for green products. During the Reporting Period, Geely Haoyue, ICON, and Vision X6 were selected as “Green Design Product – Automotive Products M1 Traditional Vehicles” by MIIT. A total of 15 Geely Auto products have been selected for 3 consecutive years, representing 38.5% of selected automotive products. Besides, 6 Geely Auto products have received the China Eco-Car Assessment Program (C-ECAP) Platinum Certification from the China Automotive Technology And Research Center (hereinafter referred to as the “CATARC”).

Green product certification	Models	Awarding bodies	Year
Green Design Product Certification	Emgrand, Emgrand GS, Emgrand GL, Boyue, Borui GE, Lynk & Co 01	MIIT	2018
	Lynk & Co 02, Lynk & Co 03, Binrui, Binyue, Jiaji, Xingyue		2019
	Haoyue, ICON, Vision X6		2020
C-ECAP Platinum Certification	New Emgrand	CATARC	2016
	Emgrand GL		2017
	Borui GE, Binrui		2018
	Jiaji, Xingyue		2019





Compliance and Transparency with Responsible Management

Geely Auto Focus

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

Fundamental Commitment on Governance, Compliance & Business Ethics

- Strictly abide by the listing rules and relevant laws and regulations, and continuously refine the corporate governance structure of the Company under the premise of safeguarding our shareholders' interest and providing them sustainable returns
- Regularly review the effectiveness of risk management and internal control to create a stable, controllable and sustainable business environment
- Treat all business partners fairly and impartially. Cooperate with reputable and honest business partners, and firmly oppose any kind of commercial bribery and fraud
- Conduct fair competitions and adhere to laws and regulations on anti-monopoly and anti-unfair competition. Protect fair and open competition from improper restrictions
- Comply with international trade laws & regulations, tax laws & regulations, restrictions and requirements imposed by trade sanctions as well as import and export control, in countries and regions where we operate
- Comply with the relevant laws and regulations on anti-money laundering. Ensure the Group and all affiliated individuals strictly abide by relevant reporting requirements, and avoid involvement in any activities or transactions related to illegal funds
- Adhere to relevant laws and regulations on information security and privacy protection. Continuously improve the management and control of information security in business processes to safeguard information security and consumer privacy
- Adhere to other applicable laws and regulations on ESG and closely monitor their development. Formulate appropriate policies to increase employees' awareness on those laws and regulations and put them in practice
- Establish a robust mechanism on compliance enquiry and whistle blowing. Encourage all employees, customers, business partners and other stakeholders to enquire or report any compliance risks or violations via proper channels, to promote an open, honest and responsible corporate cultural environment



... 5.0

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



5.1 CORPORATE GOVERNANCE

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

The main responsibilities of the Company's Board of Directors (the "Board") include formulating strategies, deliberating on key topics, safeguarding investor relations and overseeing risk management. During the Reporting Period, the Board consisted of 11 directors, of which 7 are Executive Directors and 4 are Independent Non-executive Directors. The Chairman of the Board and Chief Executive Officer are held by different persons to ensure the balance of power and authority. The Board currently has 5 board committees, namely the Executive Committee, the Remuneration Committee, the Nomination Committee, the Audit Committee, and the Sustainability Committee (newly established in December 2020).

During the Reporting Period, the Board called for 23 meetings to discuss matters on investment plans, annual budget, annual/interim results, connected transactions, sustainability, etc. The Board has performed (including but not limited to) the following corporate governance duties at least once either in the form of discussion meeting or document review: (i) reviewed the existing policies of the Company on corporate governance including whistleblowing policy, remuneration policy, shareholders' communication policy, dividend policy, director nomination policy and board diversity policy; (ii) reviewed the coverage of knowledge and skills in the continuous professional development arrangements made for the directors and/or senior management by the Company; (iii) reviewed the



effectiveness of internal procedures for overseeing timely disclosure of material inside information and perseverance of its confidentiality; (iv) monitored the compliance of Model Code by the Directors and relevant employees of the Group; and (v) reviewed the Company's compliance with the corporate governance code and disclosure in "Annual Report 2020".

During the Reporting Period, the Company continuously reviewed the corporate governance and made the following improvements;

-  In-depth discussions on ESG's future strategic development and improvement plan during 2 board meetings and approved the establishment of Sustainability Committee to accelerate ESG development;
-  The aggregate number of share capital in which the directors were granted a general mandate to issue or allot, has been reduced from not exceeding 20% to 10% of the aggregate issued share capital of the Company during the Annual General Meeting in 2020;
-  Room for improvement on the composition and diversity of the Board was explored and selection of future directors will put more emphasis on diversity (e.g., the gender proportion).

Please refer to "Corporate Governance Report" from page 34 to 60 in the Group's "Annual Report 2020" for more information on corporate governance, including, but not limited to, the composition, duties and diversity policy of the Board.



Investor Engagement

The Group is dedicated to maintaining an effective communication with the shareholders by providing them with necessary information in a timely manner to evaluate the performance of both the Board and the Group.

The Group maintains a principle of open communication and fair disclosure. It has set and disclosed the "Shareholders' Communication Policy" to the public. According to this policy, legitimate questions arising from generally disclosed information raised by various stakeholders deserves a reasonable reply. Meanwhile, the Group's investor relations team has established a two-way regular communication mechanism to ensure that various stakeholders (e.g., shareholders, investors, analysts) can have a better understanding of the Group's business operation and future development plan via different ways, including, but not limited to, roadshows, investor meetings, and in-person meetings.

During the Reporting Period, the Group's Investor Relations Department performed investor engagement many times per week on average, and also published monthly reports in our official website to present the recent situation of the Group's business and ESG. Please refer to Chapter 2.2 "Stakeholder Engagement" in this Report for investors' concerned issues and communication channels.

The Group reports the enquiries and feedback gathered from the investor engagement to the Board so that investors' requests can be fully considered during the decision making of the Board. At the same time, the Board reviews the "Shareholders Communication Policy" annually to ensure its effectiveness.

For more information on shareholders' rights and investor relations, please refer to page 53 to 60 the Group's "Annual Report 2020".

5.2 RISK MANAGEMENT AND INTERNAL CONTROL

In order to promote the implementation of internal control and refine our policies and processes, we regularly evaluate the effectiveness of our risk management and internal control, timely identify potential risks and internal control deficiencies to ensure the Group's risk management and internal control are operating effectively. We established the risk management framework and related risk management policies by referring to the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s "Internal Control – Integrated Framework" and the "Basic Standard for Enterprise Internal Control" issued by the Ministry of Finance of the People's Republic of China and other four Ministries.

The Board, the Audit Committee, management (including the risk management and control functions), business units, and Internal Audit Department undertake their respective duties and responsibilities of risk management within this framework. Please refer to page of 49 to 50 in the Group's "Annual Report 2020" for more details.

During the Reporting Period, we further standardized the risk management control procedures based on the annual review of the effectiveness of the risk management system conducted by the Board and the Audit Committee. Risk identifications were carried out both annually and irregularly. Various business units (including but not limited to research & development, purchasing, manufacturing, sales, human resources, information technology) conducted studies of internal and external information related to their business and analysis of historical risks, etc. to identify risks. The impact and probability of the risks were evaluated to create risk maps and strategies of risk responses were formulated and implemented.

To verify the effectiveness of risk assessment and risk responses, Internal Control Department, Internal Audit Department, Compliance Office, Finance Department, Legal Department, Human Resource Department and other risk management and control related departments jointly evaluate the related works of various business units. The results are summarized annually and delivered to the management in the form of an annual report on overall risk management, and serves as the basis for the next year's risk management work arrangement and implementation plan.

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



The Internal Audit Department reports, without the presence of management, to the Audit Committee at least twice a year in order to be evaluated on its independence and effectiveness. The Internal Audit Department also reports on ad-hoc basis to the Audit Committee and gathers its opinions, to improve the audit work's effectiveness.

During the Reporting Period, the Internal Audit Department strengthened and standardized its work guidelines to enhance its efficiency and objectivity. In addition, the internal audit results and related rectification progress were taken into consideration when appraising the auditees' performance, to drive the auditees rectify the audit issues more effectively. In recent years, the audit scope has been extended to ESG related risks. For example, we performed a special audit on customer privacy protection in our sales business during the Reporting Period.





During the Reporting Period, external auditor has performed audit on the Group's annual consolidated financial statements and review on the interim consolidated financial statements. For more details on external audit and the Audit Committee's review on its independence and objectivity, please refer to page 49, 51 to 52 in the Group's "Annual Report 2020".



5.3 COMPLIANCE AND BUSINESS ETHICS

Compliance is the premise of enterprise's sustainable development, the key to mutual survival and lawful competition for global economy, and the rule of human economic society's continuous development. We always adhere to honesty, trustworthiness, and operations with compliance to nurture a corporate culture with high standards and principles in accordance with business ethics and compliance. Based on the "Ten Principles of the UN Global Compact", the applicable laws and regulations in countries and regions where we operate, the "ISO 19600 Compliance Management Systems – Guidelines", the compliance management guidelines issued by related Ministries of the People's Republic of China, and the best practice of the global enterprises' compliance management, the Group continuously develop a complete system of compliance and business ethics.

Abiding by the laws and regulations as well as industrial norms, Geely Auto has established a compliance system with four tiers, namely, Principles, Management, Implementation, and Business:

-  Principles: The "Code of Conduct" is applicable to all employees, which includes detailed requirements on product's quality and safety, environmental protection, health & safety, employees' rights and obligations, data privacy & information security, conflict of interest, anti-corruption, anti-money laundering, fair competition & anti-monopoly, and external donations;
-  Management: Applicable to all employees, this mainly includes the "Code of Conduct for Integrity and Self-discipline and Implementation Rules for Disciplinary Actions", the "Management System on Gift and Entertainment", the "Management System on Conflict of Interest", the "Management System on Compliance of Business Partners", etc;
-  Implementation: Applicable to the compliance system's administrators, to provide them instructions and standards on implementing the compliance work such as the "Implementation Rules for Compliance Training", etc;
-  Business: A number of policies set by various departments according to the national laws and regulations, as well as industry standards, such as the "Administrative Measures on Compliance of Personal Information Security", the "Administrative Measures on Compliance Risks", the "Administrative Measures on Contracts", the "Administrative Measures on Intellectual Properties", the "Administrative Measures on Bidding", etc.

We closely follow the update of the laws and regulations of nations and regions. External professional parties conduct studies on compliance related laws and regulations (such as personal data protection, anti-monopoly, anti-corruption, etc.), and offer advice to the Group. The Group also actively pays attention to the latest laws and regulations internally, and timely updates the related internal policies and procedures. In terms of the laws and regulations related to environmental protection and safety, we also adds the scope of date collection and extend the assessment coverage according to the latest requirements. Any identified problem will be rectified timely to satisfy with the compliance requirements.



Conflict of Interest

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

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

Anti-corruption

Geely Auto strictly abides by the laws and regulations on anti-corruption, prevention of extortion, fraud and money laundering based on the "Anti-Money Laundering Law of the PRC", and the "Criminal Law of the PRC", etc.

We guide our employees on integrity and self-disciplined behaviors with reference to internal policies such as the "Code of Conduct for Integrity and Self-discipline" and the "Eight Don'ts". Any employee should bear disciplinary responsibility & be handled according to the relevant regulations when violating laws, regulations, rules, and administrative decisions & orders. We established the Discipline Inspection and Supervision Office to be responsible for anti-corruption supervision & inspection, and report directly to the responsible governance body.

To ensure the cooperation between the Group and its business partners comply with the laws and regulations, we added the "Special Conditions of Integrity and Self-discipline" in our contracts to further guarantee both parties strictly abide by the requirements on integrity and self-discipline. To improve our business partners' awareness on compliance, we carry out publicity events and trainings on compliance for our business partners annually. During the Reporting Period, we conducted 24 compliance (including anti-corruption) trainings, 5 external publicity events to ensure that suppliers and our related employees fully understand that they must adhere to anti-corruption and other compliance behaviors in their performance of duties. Besides this, the "Management System on Compliance of Business Partners", the "Management System on Gift and Entertainment", and the "Business Partners Due Diligence Form" further regulated the management of business partners and related process, which ensured the stable cooperation between the Group and business partners with good reputation and integrity, and prevented potential corruption and fraudulent act in our business. The Group also performs compliance due diligence on our business partners annually and on progressive basis. Those who failed were required to carry out rectification, and those who severely violated may be terminated on our cooperation.

Fair Competition and Anti-monopoly

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

Trade Sanctions and Export Control

We comply with trade sanctions & export controls' laws & regulations in countries and regions where we operate. Business units should consult legal or compliance team in advance on transnational R&D, transmission & transaction on products, technology or service, to avoid trade sanctions or export control risks. Export activities are reviewed and transaction records are properly kept under rules. Related employees regularly keep track of the latest updates on export control and sanction lists.

Tax Strategy

The Group takes the same stance in compliance with the law and regulations on taxation by strictly abiding by the taxation laws and regulations in places where we operate. We refer to the laws and regulations of China's transfer pricing and the Organization for Economic Co-operation and Development (OECD)'s transfer pricing guidelines, and taking arm's length principle as the basic principle for pricing of the related party transactions within the Group. We carry out our cross-region transactions based on such principle.



To ensure that the aforementioned compliance policies and business ethics are thoroughly implemented, we perform the “Administrative Measures on Compliance Performance Evaluation” annually, which consists of methods such as employee interviews, questionnaires, field research, unannounced inspection, data auditing, etc. to include employees and business units’ compliance performance as part of their evaluation. We also keep improving the employees’ cognition and awareness on related policies and standard by establishing corporate culture. The internal audit of the Group has also taken the compliance as an important aspect in the audit scope. In addition, we set up whistle blowing mechanism to ensure that methods and mechanism are in place to appropriately deal with any violations.

Compliance Training and Culture Development

Compliance culture is an important element of Geely Auto’s corporate culture. According to the “Implementation Rules for Compliance Training”, all business units are required to conduct compliance training for all of their employees at least annually, and all new employees are required to complete the compliance training within three months. The Group has tailor-made different compliance courses for employees of different grades (such as new employee, middle-management and key position staff, senior executives, and compliance management staff). During the Reporting Period, the Group has conducted 1,519 compliance trainings (including anti-corruption) with 2,158.9 accumulated training hours and the employees’ attendance reached 85,360.

We also required all employees to read relevant policies on compliance management and make declaration to ensure that they will abide by the relevant laws, regulations, and policies when performing duties. We have also organized events such as “Month of Compliance Culture” and regular publicity on anti-corruption, in order to further promote compliance culture.



During the Reporting Period, Sun Hong, the Chief Compliance Officer, conducted a training on “Thoughts on Compliance Brought by the Epidemic”, with 801 employees joining in-person or via online live broadcast. The training was subsequently watched by more than 12,000 employees.



Professor Wang Zhi Le, Vice-chairman of the Compliance Committee of Chinese Enterprises and founder of Beijing New-century Academy on Transnational Corporations, conducted a course on “Strengthening Compliance Competency to Build a World-Class Enterprise”. 8 senior executives joining in-person, and more than 2,300 middle managements watched via online live broadcast. The training was subsequently watched by 5,338 employees in 52 business units.



While striving to develop the corporate business ethics, the Group has also been recognized by all walks of life. We have enhanced the ability of industry communication and information sharing by actively participating in relevant work of various associations and organizations.

Related Honors and Awards

- Standing Corporate Member of Zhejiang Economic Criminal Investigation and Prevention Association
- Anti-fraud Publicity Ambassador awarded by Binjiang Branch of Hangzhou Public Security Bureau
- Member of Hangzhou City Binjiang District Enterprise Criminal Compliance Promotion Association

Indicator	Unit	2020
Average number of hours spent on compliance training (including anti-corruption) per director/employee	hour	3.5
Percentage of employees attending compliance training (including anti-corruption)	%	100%

Compliance and Internal Audit

The Internal Audit Department has adequately included compliance in the annual audit plan’s scope. Non-compliance issues identified in the audit or relevant control deficiencies are reported in the audit report in which the auditees are required to rectify. Severe violations found are transferred to related departments for disciplinary actions. For more information on internal audit, please refer to Section 5.2 “Risk management and internal control” in this Report.

Whistleblowing

The Group is committed to the highest possible standards of openness, probity and accountability. We have formulated the “Whistleblowing Policy” which aims to provide an avenue for employees, suppliers, customers, etc., who deal with the Group to raise any suspected misconduct or malpractice within the Group and to ensure that the whistleblower will be protected from reprisals or victimization for whistleblowing.

Persons making appropriate complaints in accordance with the “Whistleblowing Policy” are assured of protection against unfair dismissal, victimization or unwarranted disciplinary action. The Group has the right to take appropriate legal action against any persons who victimize or retaliate against the whistleblowers, and punish (including dismissal) them if they are employees. The Group’s management support and encourage employees to raise their concerns without being afraid of retaliation.

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

5.4 PRIVACY PROTECTION AND INFORMATION SECURITY

Geely Auto highly recognizes privacy protection and information security and strictly abiding by the laws and regulations such as the “Cybersecurity Law of the People’s Republic of China”, the European Union’s “General Data Protection Regulation” (GDPR). Along with the rapid development of technology in the age of intelligence, we not only provide intelligent products and services, but also attach great importance to the consumer privacy protection and business information security, to maintain an information ecological environment with better compliance. During the Reporting Period, there was no user data leakage incident and there was also no complaint on consumer data loss or privacy protection.



Privacy Security and Protection

Along with release of GDPR and the “Personal Information Protection Law of the People’s Republic of China (Draft)”, the Group has interpreted the policy of APP self-evaluation, organized security check of software, and revised our APP privacy clause and rectified the defects in APP process based on our internal policies, namely the “Administrative Measures on Compliance of Personal Information Security”, the “Self-evaluation Template on Personal Data Processing of APP”, and the “Self-evaluation Guidelines on Violations on Collection and Usage of Personal Information of APP”.

In addition, the Information Engineering Department has carried out a number of trainings on personal information protection, including the introduction of knowledge of personal information protection on APP, the introduction and implementation of compliance of personal privacy on APP. Meanwhile, we provided specific APP personal data protection training for R&D staff to improve the standard on personal privacy data protection during the development and operation processes of the products.

We have gradually optimized the software development security during the product development process and ensured its proper execution. During the Reporting Period, the R&D department achieved innovative results on product information security. The traditional information security mainly relied on software encryption, but we managed to apply hardware encryption chip on our new products and adopt national grade data encryption algorithm to improve the information security level and safeguard the user’s privacy and data security. This technology will be used in our new products in the future.

Consumer Privacy Protection

Consumer privacy protection is mainly achieved via compliance control on Group level and business control on sales level. Our consumers’ privacy is protected during information collection, information usage, information control, etc. In the aspect of compliance control, each sales

unit and dealer are required to strictly abide by the Group’s compliance policies and system. Our sales units’ compliance offices formulated the “Process for Media-related Business of Headquarters and Branches”, “Publicity Compliance Standards for Sales and Marketing Branches”, “Guidelines for Geely Brand Marketing Department at Regional level”, etc. to carry out annual compliance checks to ensure the sales operations comply with relevant regulations. Geely Auto protects consumer privacy protection mainly via three layers, namely sales data management, external market research, and IT information safeguards and the details are as follows:



Sales Data Management

- Dealers’ data interface: Strict access control to prevent sales personnel from make inquiries on customers not under their service;
- Manufacturer’s data interface: Strict access control to allow only relevant personnel to be granted access to customers’ information.



External Market Research

- Contracts with external parties providing market research contain clause to prohibit information to be used for purposes other than the work scope stated in the contracts. Such external parties are not allowed to carry cellphones or use any data storage devices when performing on-site surveys;
- Sensitive information contained in the research results is hidden before being sent to the dealers, branches, and related business units;
- Investigation will be performed on complaints of any consumer data leakages. Warnings, punishment or penalties will be made to the related employees or dealers.



IT Information Safeguards

- Strict access control has been set for customer data inquiry. Multiple approvals are required for request on such inquiry and approved access will still be properly restricted and controlled.

Information Security Management

The Group attaches great importance to information security management and specifically established an information security management team and execution team to provide sufficient resource and support to information security management. In addition, we have formulated information security management policies according to “ISO 27001 Information Security Management”, covering all 114 control points in the latest standards. During the Reporting Period, we planned our work and improvement in accordance with the internal policies such as “Standards on Information Security Incident Management”, the “Information Security Incident Management Procedures”, the “Third-Party Information Security Management Procedures”, the “Data Security Management Procedures”, the “Measures for Information Security Management for Industrial Control Systems”, the “Measures for Compliance Management of Business Information Security”. These brought us closer to the business goals and industry standards, and further enhance the information security control in R&D and production phases.



Information Security Training

To ensure that the employees understand and abide by the information security requirements of the Group, we conducted four trainings on cybersecurity (such as phishing simulation, cognitive activities, etc.) during the Report Period. We also carried out a campaign of information security compliance month in September 2020 which included publicity via offline training, videos, boards, comics, and slogans to improve the employees' awareness of information security which were favourably responded by the employees.

To guarantee the information security of the operation and office work during the COVID-19 outbreak, the information security technology team provided various telecommuting solutions to satisfy the users' needs. Besides this, the information security management team conducted information security training related to telecommuting during the pandemic and required all employees to sign declaration for information security on telecommuting. During this period, no information security incident occurred in the Group.

Information Security Test

To ensure cybersecurity, the cybersecurity team of the Group has specifically arranged persons to be in charge of cyber threat tracing and vulnerability management. Besides this, we have formulated contingency plan for cybersecurity incidents, and implemented simulation tests and updates 4 times per year on average. We have assessed whether the contingency plan and staff allocation were proper

and sufficient by desktop simulation which was to simulate the potential cybersecurity incident. In addition, we have carried out penetration testing and vulnerability screening for all of the applications connected to internet to avoid exposure to significant vulnerability risks. During the Reporting Period, we completed the Red Team Test, and set up an official procedure to rectify the problems identified during the test.

Information Security's External Certification and Internal Audit

In 2018, Geely Auto enhanced the information security management system and acquired ISO 27001 Information Security Management Certification, and also passed the annual audit on information security management system in 2019 and 2020.

In addition, the Information Engineering Department of the Group performed internal information security check during the Reporting Period, and carried out information security audit together with the Internal Audit Department at least once a year to ensure the effectiveness of the information security management system and proposed recommendation for improvement timely. Based on the outcome of these security checks and recommendations by Internal Audit, the Information Engineering Department planned and executed corresponding rectifications. Apart from that, the Internal Audit Department also performed audit on customer privacy protection which assessed the risks in the full life-cycle of customers' personal information including data collection, usage, storage, and destruction.



• Certificate of ISO 27001 Information Security Management





Walking Hand-in-Hand to Create a Better Future Together

Geely Auto Focus

To support our strategy for rapid development and formation of a new industrial ecosystem, Geely Auto has established a competitive global supply chain and a sales & services system with distinguishing features. We are continuously helping these business partners to improve their sustainability. Meanwhile, we are forming mutual beneficial partnership with the industry using a win-win collaboration strategy, to promote collaborative development in the industry and thus, jointly create a sustainable future.

Strategy and Approach



... 6.0

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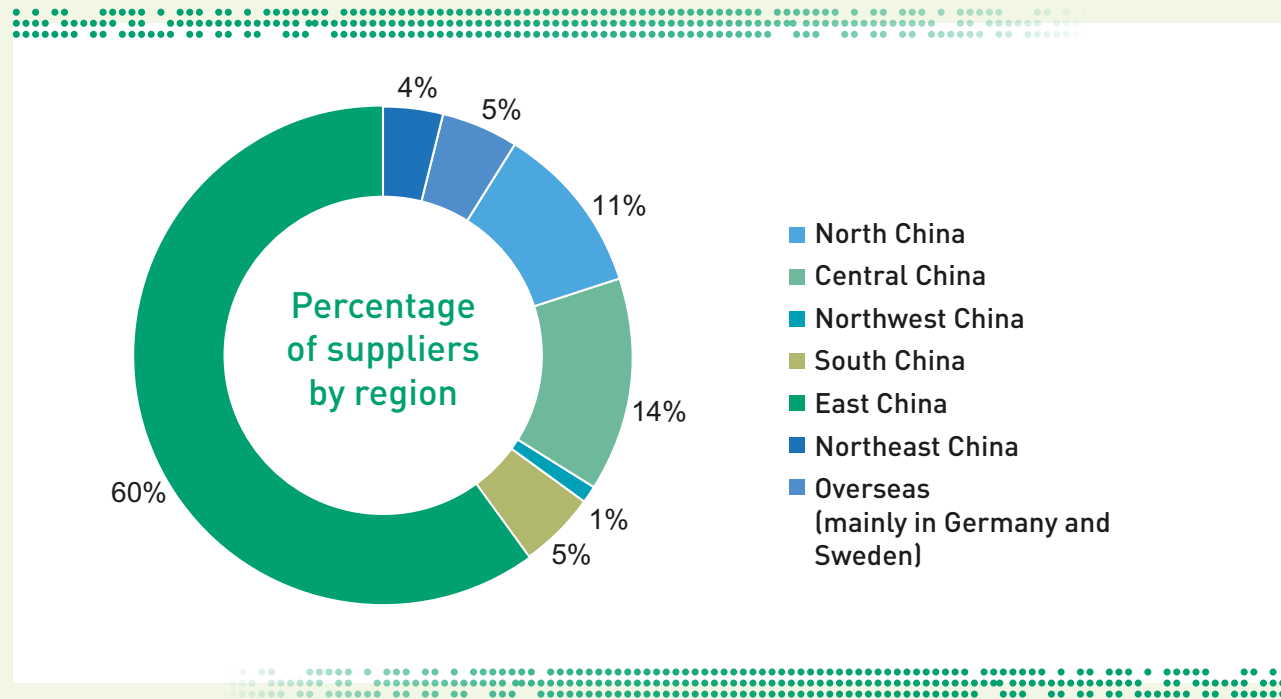
6.1 RESPONSIBLE SUPPLY CHAIN

The supply chain of auto parts in China has gradually become mature and globally competitive after years of development. Taking advantage of the Group's role in the industry value chain and the economies of scale brought by the upstream auto parts industries, we can realize responsible procurement and establish a responsible supply chain.

Supply Chain Management

We classified purchasing into direct purchasing and indirect purchasing respectively based on the nature of the products to be purchased. Direct purchasing includes purchasing of parts and is carried out in accordance with in the Group's "Purchasing Control Procedures". Indirect purchasing includes purchasing for R&D, machinery and equipment, IT-related, and auxiliary materials, which is carried out in accordance with the respective purchasing policies.

The Group's procurement process includes supplier sourcing and selection, supplier accreditation and evaluation, purchase ordering and settlement, and supplier daily management. In supplier sourcing, our purchasing team recommends supplier candidates, while R&D team and Supply Chain Quality Engineering (SQE) team communicate with the supplier candidates on technical qualification and quality. Purchasing team will then organize meetings with R&D team, SQE team, and others to select and negotiate with the suppliers.



Supplier accreditation and evaluation




We carry out supplier risk assessments and accreditation reviews when sourcing from new suppliers. These are done to identify quality, technical and operational (including ESG) risks in early stage, to get prepared with supplier accreditation in advance. Potential supplier's accreditation is required to be reviewed on-site by R&D, SQE, and Purchasing teams jointly, and only qualified suppliers can then be included in the supplier system. Purchasing team is responsible for the evaluation of suppliers' operational management capabilities (including, but not limited to, operational and financial performance, cost competitiveness, qualification and experiences, customer satisfaction, delivery service, environment, business ethics, occupational health and safety in production, labor rights, employee care), so as to select the best suppliers in alignment with the Group's sustainability goals. R&D team evaluates suppliers' R&D capabilities, and SQE evaluates suppliers' capabilities in manufacturing and quality assurance, etc.



We conduct routine audits & unannounced audits for suppliers to ensure their compliance with our requirements and their management of ESG risks to achieve for a responsible and sustainable supply chain. During the Reporting Period, we conducted routine audits & unannounced audits on 65% of suppliers. Routine audits include new supplier accreditation audits, 3A routine audits, etc. which evaluate the suppliers' overall capabilities. Highly rate suppliers is further negotiated while poorly rated supplier is not allowed to be accredited. The evaluation criteria include quality, environment, safety, labour, integrity, etc. to restrict suppliers' behavior and set strict requirements on suppliers' green design ability, talent training system, production environment, material packaging, contingency plan, emission standards, environmental protection materials, use of new technology, labor rights, etc.

During the Reporting Period, we conducted an environmental and social impact assessment on 100% of new suppliers in accreditation and found no significant negative environmental and social impacts. 82% of the Group's suppliers have obtained ISO 14001 certification on environmental management system and 99% have obtained IATF 16949 certification on quality management system. New suppliers were requested to set their sustainable purchasing policies (such as requirement on child and forced labor). In addition, suppliers must use recyclable packaging materials for delivery distance $\leq 1,000$ km. Influenced and inspired by the Group, near 75% of suppliers in China used recyclable packaging materials covering 84% of our parts in 2020.

ESG evaluation criteria in supplier audit

 Quality	 Safety	 Environment	 Labour	 Integrity and self-discipline
<ul style="list-style-type: none">  IATF 16949 certification on quality management system;  Quality assurance system;  Management of quality goals;  Monthly quality improvement activities by the management team. 	<ul style="list-style-type: none">  Comply with national laws and regulations on building safety and fire safety;  Set up work safety-related organization, such as work safety committee;  Meet requirements on production, storage and transportation of inflammable, explosive and other dangerous goods;  Meet the requirement on information security; software suppliers should comply with ISO/IEC 33020. 	<ul style="list-style-type: none">  Comply with national and local environmental laws and regulations;  Compliance on treatment of wastewater, air pollutants and solid wastes;  ISO14001 certification on environmental management system;  Ensure products or services meet buyer's environmental requirement. 	<ul style="list-style-type: none">  No child labor and no personnel engaged in work harmful to health;  Comply with national labour law;  OHSAS 18000 certification on occupational health and safety;  A well-defined remuneration and benefits policies;  A trade union which regularly conducts employee satisfaction survey. 	<ul style="list-style-type: none">  Do not give any benefits, whether monetary or non-monetary, to personnel of the counterparty in any name;  Not allowed to conduct business with personnel of the counterparty. Relatives should avoid engaging in business;  Not allowed to hire personnel from the counterparty or accept that personnel's service without counterparty's consent within 2 years after the termination of cooperation.

Furthermore, we are formulating joint development and purchasing with Volvo Cars. Sustainability performance indicators have already been included in the criteria to select suppliers for a future intelligent electric car architecture's joint development and purchasing. Geely Auto, together with Volvo Cars, will plan common goals on future products on the abovementioned architecture, such as business ethics, social responsibility, carbon emission reduction, recyclable materials, and renewable energy. We will lead our supply chain to achieve these goals together.

Supply chain risk responses

In order to address the supply chain risks, we performed analysis on supply chain risks, and formulated early warning mechanism and response measures for risks in quality, production capacity, delivery, funding, and ESG. We have also carried out corresponding risk prevention and control measures in supply chain's life cycle. In supplier accreditation, we evaluated the supplier's capability based on 3A audit results. In product development, we conducted quality review in each stage and completed production part approval process. More attention was paid on suppliers with higher risks in quality and delivery. In supplier production, we identified key production processes and quality control points in mass production, and carried out regular and irregular inspections to ensure that mass production could achieve consistency in quality. Likewise, suppliers were required to rectify their quality issues found during the vehicle assembly process. During product use, we used big data on our quality performance gathered from the market to assist our control on supplier quality and prevent problems from worsening.

For ESG risks, we have identified and screened the supply chain ESG risks during accreditation and evaluation to reduce the risk exposure. For ESG risk responses, we adopted Sedex SAQ¹, Dun & Bradstreet², Dow Jones index³, etc. to evaluate the ESG performance of suppliers for analysis and management. Moreover, we conducted trainings on related topics for our large suppliers, to promote continuous improvement and were well-received by our suppliers, especially those in China. This energized the future sustainable development in the automobile industry.

Supplier development

In order to better carry out training and publicity for our suppliers, the Group established a school of supplier quality management in Geely Enterprise University's College of Quality. It is responsible for introducing the relevant system, management, and culture to our suppliers. It also strengthens the professional training and professional qualification certification of suppliers to standardize their capability and our purchasing procedures, which promote long-term cooperation between both parties and thus, establish a competitive supply chain system.

During the Reporting Period, we further improved our supply chain's capabilities in R&D, manufacturing, and quality control. We provided targeted supportive trainings to 243 suppliers and trained 3,614 people. Meanwhile, we benchmarked and improved the management approach of the supply chain. Based on the weakness of the supply chain, we specifically enhanced the suppliers which were fairly advantageous in cost but less competitive in quality, and had strong willingness on self-improvement, in order to build a community with a shared future in the supply chain together.

We highly recognize supplier capability improvement and intelligent management to increase the efficiency of the production line and the supply chain. During the Reporting Period, we assisted a supplier in Chongqing in an improvement program for transformation of its warehouses into an intelligent warehouse. The measures mainly covered replacing manual handling with machinery equipment to increase operational efficiency; adopting barcode scanning and checking for more precise management; adopting automatic information collection of product batches to realize accurate traceability during product production and sales process; installing container cleaners to reuse the containers and contribute to environmental protection.



• High-rise racking, electronic displays, and barcode scanning adopted in the new intelligent warehouse



• Equipment installed for cleaning containers for reusing and environmental protection



¹ Sedex SAQ is a "Self-Assessment Questionnaire" used in the supplier ethics information exchange platform, which provides relevant social responsibility information of members in the supply chain
² Dun & Bradstreet: A leading global commercial data provider and is widely used in risk management, marketing and supply management decision-making
³ Dow Jones Index: a stock index which can provide various suppliers' performance in the capital market

6.2 HELPING DEALERS' GROWTH

Geely Auto follows the dealership sales model which is a norm in the automobile industry. We proactively develop a sales network with a high coverage and penetration in China, to reach a wide variety of customers. Furthermore, we are also committed to enhancing our dealers' capabilities to provide better service and in turn, promote our brands.

Compliance in Sales & Marketing

To better protect the rights and interest of consumers and standardize the management of dealers, we carry out standardized management in terms of market discipline, genuine reimbursement, financial integrity, credibility to customer, compliance integrity, and other aspects in combination with the actual business situation, and update our policies annually, including "Measures for the Management of Dealers' Operation", "Measures for the Management of Dealer's Integrity Scores", and "Measures for the Verification of Dealers' Operational Performance".

The Group is committed to working with dealers to maintain good market discipline and continuously improve consumers' experience in car shopping. We disclosed vehicle models and the respective manufacturer's suggested retail prices on Geely Auto brand's website (www.geely.com) to offer reasonable and transparent pricing information and products' detailed specifications for dealers and consumers. At the same time, we also published the information (names, addresses, telephone numbers, etc.) of dealers providing test drive and recycling used batteries of new energy vehicles on the website to help consumers choosing the most suitable and convenient products and services. Moreover, Geely Auto brand and Lynk & Co brand provided unified template of vehicle purchase agreement for the dealers' reference to avoid misleading or inaccurate explanation and protect consumers' rights and fairness.

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

All of our brands conducted regular and irregular review on dealers' operation and compliance in order to ensure the dealers strictly adhered to the Group's relevant policies on marketing activities and thus, provided satisfactory service to the consumers. Any violations were heavily penalized.

Training for Dealers

Geely Auto brand irregularly conducted training on product launching and sales skills for dealers, to provide guidance on ideas of sales and marketing, analyze and summarize the common problems encountered in sales service, and constantly develop new ideas on our services. Besides this,

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

Lynk & Co highly recognizes the importance of trainings to the dealers and these trainings mainly included product knowledge and sales skills enhancement. During the Reporting Period, we provided online courses to support our dealers in a timely manner. Besides, we carried out incubation programs for new dealers, to provide full support to familiarize them with the Lynk & Co's operation management system, guide them on operation standards and business, and help them to acquire skills quickly. Lynk & Co formed a team of operation coaches to guide the dealers' executives in the stores, and help the dealers to standardize business development process. Lynk & Co's trainings for dealers were generally carried out in four aspects: personnel training, product features, operation, and service.

In addition, we provide dealers with a variety of learning platforms on PC, mobile phone, WeChat, TikTok, etc. to facilitate their learning process. The wide range of learning channels and knowledge resources, via a combination of both online and offline methods, motivate the dealers to improve their sales skills. In addition, we taught the salesmen with various advanced ideas to promote digital marketing.



Case Study: Geely Auto brand's dealer training



New product launching trainings (including explanation on product experience and auto parts, as well as plant tour) helped dealers to master the skills on serving customers, clarifying customers' doubts and making deals during the pre-sale period.

Training on Hao Yue new model launch:

1,058 people from 293 dealers participated in the training, with a passing rate of 99.9%;

Training on Preface new model launch:

1,081 people from 300 dealers participated in the training, with a passing rate of 100%.

"The Weekly Talk" on G-School App started since May 2020 and utilized the Group's resources to enhance the soft power of front-line salesmen. 16 courses have been conducted, with an average of 6,200 students attending for each course.



During the COVID-19 pandemic, we have sufficiently interacted with dealers online. We held 10 live-streaming contests via our mobile app, G-School, to enhance the competitiveness of salesmen.

In July 2020, we held an activity "I Am the Star, a live-streaming contest". By the end of this event, 171 dealers participated and 1,340 contests were streamed gaining 71,282 likes and near 3,000 sales leads. During this contest, more than 100 vehicles were sold.

We emphasize on dealers' practical skills and experiences. From September to December 2020, we carried out the Annual Sales Elite Competition. A total of 3,758 salesmen from 7 regions in China participated, accounting for 40.8% of total salesmen. The competition was broadcasted to all dealers.



Case Study: Lynk & Co's brand training for dealers



Lynk & Co provided job certification trainings to dealers' key personnel and customer experience consultants on the basic knowledges and professional skills. 1,016 key personnel were certified, representing a certification rate of 90% and 2,265 customer & e-commerce experience consultants were certified, representing a certification rate of 91%.

The training on Lynk & Co 01 new model launch focused on experiencing the product features from all aspects, in which 441 people participated with a passing rate of 100%;

The training on Lynk & Co 06 new model launch integrated sales skills course and production plant tour, in which 1,316 people from 293 dealers participated, with a pass rate of 99.9%.





Case Study:

Established Geely's College of International Marketing to groom talents



During the Reporting Period, we established Geely's College of International Marketing to accelerate the deep integration of talents among Geely Auto's international sales team, overseas dealers, and technical service personnel. As the Group expands globally, we strive for building a healthy and sustainable overseas marketing talent pool, grooming top overseas marketing talents, and further enhancing Geely's global competitiveness and influence.

6.3 PROMOTING INDUSTRIAL COLLABORATION

Geely Auto proactively promotes and drives the development in the automotive industry. We are always committed to playing a constructive role in promoting communications and resource sharing in the industry, in order to build a platform for exchanging ideas and achieving cooperation. In addition, the recently launched SEA's openness has created more co-creation opportunities in the industry. Over 34 intelligent mobility scenarios' developer communities attracted leading global partners to participate and promote a new ecosystem in the industry together.

Participating in Interaction with the Industry

The Group has joined a number of industry association to actively participated in the communication with the industry. At present, Geely Auto serves as the vice chairman of China Association for Consumer Products Quality and Safety Promotion (CACQPSP), Hangzhou Chief Quality Officer Alliance, etc., as well as the member of China Association of Automobile Manufacturers and China Association for Quality, etc. In addition, we have formed the China Automotive Quality Technology Alliance (CAQTA) together with some automotive companies in China, research institutes, and industrial organizations. As the deputy director unit of the Alliance, we will host the China Automotive Quality Technology Conference 2021 in response to the national strategy of quality power, in order to build a platform to exchange on automotive quality technology and lead the innovative development of automotive quality technology. Being a new role model of "Made in Zhejiang", Geely Auto, together with the Zhejiang Administration for Market Regulation and Zhejiang Institute of Standardization, has established the Hangzhou Chief Quality Officer Alliance. In September 2020, the inaugural meeting of "Deepening and Promoting Corporate Chief Quality Officer System in Hangzhou and Chief Quality Officer Alliance" was held at the headquarters of Geely Auto. This positively accelerated the modernization of enterprise quality management and helped Hangzhou to achieve a new height of development and international competitiveness.



We actively engaged in the activities of industry associations. In 2020, Geely Auto participated in quality control competitions and brand story contests, etc. organized by Zhejiang Machinery Industry Federation, China Machine Building Quality Management Association, and other associations, and competed with other joint ventures and domestic auto companies in China. Our improvement cases have won benchmarking project award, the first prize, professional demonstration award, etc. at both national and provincial levels. The brand story "Our Attitude: We Care About Every Decibel of Noise" won the first prize in the 8th National Brand Storytelling Competition.

Promoting R&D Capability in the Industry

As an enterprise with a strategic to develop globally, we proactively carry out all kinds of cooperation and communication with the global industry. During the Reporting Period, our Powertrain R&D Centre cooperated with the Chalmers University of Technology in Gothenburg on a doctoral program, which focused on the research and development of transmission control and converter as well as energy optimization. Our R&D Centre worked with the Ministry of Industry and Information Technology Equipment Industry Development Center, China Automotive Technology and Research Center Co. Ltd., and the National Technical Committee of Auto Standardization to formulate the "Data Exchange of Intelligent Connected Vehicles and Comprehensive Application Platform's Data Upload". At present, preliminary draft has been completed after two rounds of discussion, and is planned to be finalized in 2021.



On 28 November 2020, the first meeting of the General Election and the Third Term of Zhejiang Auto Safety Technology Key Research Laboratory's Academic Committee was held at Geely Auto's R&D Centre in Hangzhou Bay New Area, Ningbo City. We have also carried out open research projects with Tongji University, Hunan University, and other colleges, covering topics on intelligent connectivity, protection of battery packs in new energy vehicle, scenarios of the active and passive safety test, etc.

During the Reporting Period, the project "Research on Road Traffic Injuries and Development of Protection Technology for Vulnerable Road Users in China" jointly submitted by Geely Auto, Tongji University, and the South China University of Technology won the second prize of China Automobile Science and Technology Progress Award. In order to improve the safety performance of vehicles for vulnerable road users, the project independently developed a protection technology platform for vulnerable road users. This project obtained 45 independent intellectual properties and 19 authorized patents for invention and published 10 research papers. This project's overall technology has met a global advanced standard.





Building a Cohesive Team and Driving Employees' Development

Geely Auto Focus

Geely Auto follows the talent philosophy of "Bringing respect, accomplishment and happiness to people" to attract domestic and overseas high-calibre talents via multiple channels. Adhering to the core value of "Happy Life, Geely Drive", we continuously refine our human resources system and occupational health & safety system, to cultivate high-calibre talents with core competitiveness, and safeguard our employees' well-being.

Strategy and approach

Geely Auto Talent Forest Concept:

- Bring in high-calibre talents outside of Geely as "banyan trees" supporting the Geely Auto Talent Forest. Geely Auto provides a nourishing environment for these banyan trees to settle well in our forest;
- Cultivate young employees as talent "saplings" and let the banyan trees guide their growth. Together, they will grow into trees of different shapes and sizes, and form a talent forest of diversity, strength and resilience.

The two concepts in the SEE model



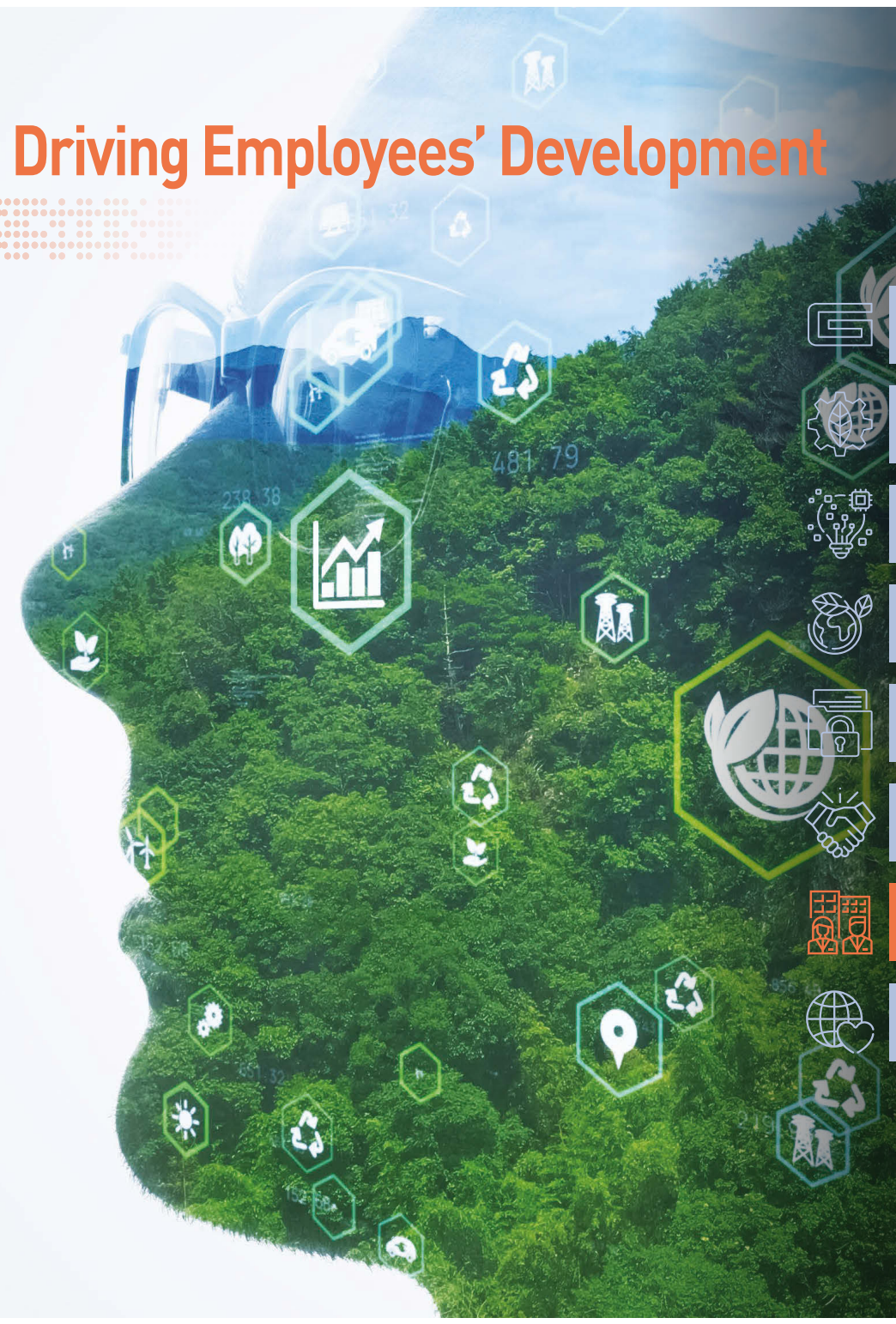
SEE Model:

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

The second concept is looking out from the inside, our "young saplings" will be able to see their talent growth through our "internal talent cultivation" system.

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- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES



7.1 EMPLOYMENT OVERVIEW

Facing the global market, the Group established a mechanism of “local action, global thinking”. Based on SEE model for global talent development & management, we empower our employees to stimulate their creativity. We strictly abide by the national & local laws & regulations, support human rights’ respect & protection as advocated by the UN Global Compact. We consistently promote human rights’ standards to employees, business partners, customers & other stakeholders and ensure their adherence in our value chain. We also reviewed our compliance with such standards in our operations. At the end of 2020, the total number of employees of the Group was 38,376, in which 38,255 employees worked in China (including Hong Kong, Macau & Taiwan) & 121 employees worked outside China.

The Group uphold diversity and non-discrimination. Taking the stand of “respect, adaptation, tolerance & integration”, we object to forced labour & discrimination on race, nationality, religion, disability, gender, educational background, etc. We are committed to create a diversified, equal, fair, & harmonious workplace. We continuously invest resources to attract talents with different backgrounds & support their development. We facilitate cross-cultural communication & integration suitable to local conditions & gather global talents with different historical & cultural backgrounds to build a diversified talent force. Meanwhile, we are committed to equal opportunities for all people. We do not engage in any direct or indirect discrimination and provide equal employment opportunities for disabled people to make use of their talents. We abide by national & local policies & regulations on ethnic minorities & disabled people. We promote the awareness on the rights of disadvantaged groups and protect the basic interests of relevant employees. At the end of 2020, we had 1,021 employees who were ethnic minorities.

We strictly abide by the “Labour Law of the PRC”, the “Labour Contract Law of the PRC”, the “Employment Promotion Law of the PRC”, the “Special Rules on the Labour Protection of Female Employees”, the “Trade Union Law of the PRC”, the “Law of the PRC on the Protection of the Minors” & other applicable laws & regulations, continuously improve HR management, and fulfill our legal obligations as an employer.

During the Reporting Period, we strengthened our talent management system & the corresponding policies such as revising “HR System Documentation Management Standards” & “Recruitment Management System”, to create a fair & equitable HR management system that respects & inspires employees and at the same time, protect employee rights & interests. We persisted the Talent Forest strategy while adapted the auto industry’s strategic transformation in “New Four Modernizations”, and therefore, we actively attract & cultivate talent, and build employer brand. We constantly pursue innovation & breakthrough in talent market analysis, precise talent supply & talent entry management.

In order to improve the effectiveness of recruitment, we formulated recruitment based on precise plans on job position & headcounts. We conducted trainings on recruitment & labour laws to enhance our recruitment process. Reference checks were also performed on all candidates to mitigate risks.

7.2 LABOUR MANAGEMENT

To protect the rights & interests of employees and build a good labour relation, we set policies on working hours, holiday arrangements, recruitment, and dismissal such as the “Benefits Management Policy”, the “Employee Onboarding & Personnel Change Management Policy”, and the “Recruitment Management Policy”. Our policies adhere to national employment laws such as the “Labour Law of the PRC”, the “Labour Contract Law of the PRC”, the “Labour Dispute Mediation & Arbitration Law of the PRC”, and the “Provisions on the Negotiation & Mediation of Enterprise Labour Disputes”. At the same time, we strictly enforce national laws & regulations on child labour & forced labour. In our recruitment, we prohibit the applicants of 16 years old or below. During the Reporting Period, we did not recruit or employ any child labour, and had no violation of any laws & regulations on employment, child labour & forced labour.

During the Reporting Period, we revised the “Job Position Management Standards” to be more specific on job descriptions & job positions’ value evaluation, to better implement lean management & comprehensively upgrade the management system of job positions and headcounts to realize our core values of “people-oriented, innovation, and excellence”. At the same time, we updated our “Employee Onboarding & Personnel Change Management Policy” to further standardize onboarding, transfer, resignation, reemployment, retirement, reemployment after retirement, etc., to fully protect the rights & interests of employees and eliminate arbitrary or discriminatory dismissal, and thus, realizing our talent philosophy of “Bringing respect, accomplishment and happiness to people”.



Employee communication

We established formal and informal communication channels for all employees and provided accessible, impartial, and transparent communication procedures. We held annual operation conference which were participated by all employees so that they could understand the Group's strategy and future development. We also held employee engagement conferences twice a year, quarterly employee forums, etc. to communicate our corporate news and recent development as well as gather our employees' demands and suggestions.

We carried out the "Two-way Care" campaign which was a series of activities for enterprise and employees care for each other. Various kinds of Two-way Care activities were carried out to enhance the sense of belonging and cohesion of employees. At the same time, these activities provided employees with opportunities and platform to interact with senior management directly and thus, enriched employees' feedback channels. Moreover, we established the "Heart Channel" for the communication between employee and management. We gathered the opinions of employees and helped them to schedule meetings with management. During the Reporting Period, we organized 11 communications via the "Heart Channel", and collected 161 opinions which were subsequently addressed for improvements.

In order to avoid our employees being treated inappropriately, we provide a reasonable grievance and feedback channel based on dialogues and mediation to address such issues. For example, if employees have doubts about their performance results, they can file a complaint to the Human Resources ("HR") Department within two working days after such results are announced. HR Department is responsible for its investigation, coordination, and making recommendations. Besides this, employees who are aware of non-compliance issues or any unfair situation related can report to the compliance team. During the Reporting Period, a total of 339 reported complaints (including 320 compliance complaints and 19 performance complaints) were all addressed in a timely manner with proper feedback to the corresponding employees filing the complaints and they were satisfied with the handling outcome.

In order to provide even more independent grievance channels, the business units have set their own general managers' mailboxes. At the Group level. We established mailboxes of the Chairman of the Board, the Labour Union President, and the Secretary of the Commission for Discipline Inspection to ensure the independence of the handling of complaints.

Non-hierarchical dialogues among employees

During the Reporting Period, our business units organized various non-hierarchical dialogues based on their respective resources, channels, and needs. These dialogues acted as an important channel for employee communication.

Participants to these dialogues included frontline staff as well as executives from all levels and functions. These dialogues covered topics on work environment, public facilities, team cultivation, employee development, logistics, transportation, corporate security, labour insurance, etc. These dialogues have become a regular major event in the Group and were well received by our employees.

Management also actively participated in these dialogues to communicate with employees from all levels. Face-to-face sessions with general managers in various business units were organized from time to time to address the problems of employees.





To hear the true voice of employees, we developed an anonymous “Talk to the Tree Hole” mechanism for employees to speak up about things they “want to say but not dare to, want to say but no time to, want to say but no idea whom they should speak to”. We collected these voices and listened carefully so as to help employees solving their problems in work and life, and thus, created a happy and relaxing workplace for them to concentrate on their work. A publication of “Echoes from the Tree Hole”, is issued each month which organize the employees’ posts and provide them with replies, to address the employees’ voices and create a working environment filled with love.

We have collaborated with third-party organizations to conduct employee satisfaction surveys for six consecutive years to understand employees’ satisfaction with various aspects of the Group’s operational activities, listen to their opinions, and boost organizational effectiveness. The satisfaction rate has been increasing consecutively over the years and reached 88.6% in 2020. We performed qualitative and quantitative analyses comparing the results in 2020 and

2019 to provide directions in developing improvement plans. At the same time, we empowered an internal professional team to guide our functional lines and business units to formulate and implement their improvement plans on employee efficiency. We also developed a mechanism to track the deliverables of such improvement plans in an electronic information sharing platform. We evaluated the progress and outcome of these improvement plans quarterly and annually to further realize the application of results from the employee satisfaction survey.

Promotion paths

In terms of talent development management, we provide three development paths for our employees, namely, the management path, the professional path, and the skill path. We organized executives’ reporting on their work performance, professional qualification evaluation, and star rating for skilled employees respectively to ensure equal development opportunities and well-defined promotion paths for the employees.






At the same time, we highly recognize on building an internal talent market. We expand the skillsets of our employees to cultivate interdisciplinary talents and support the long-term development of employees within the organization. We developed the “Vigour Plan” as a plan for employees’ internal transfer among different business units and highly supported job transfers within the organization. In 2020, we organized 82 online sessions of the “Vigour Plan”, where 84 business units were involved, 755 resumes were received, and 138 employees completed internal transfer within the organization.

Performance remuneration and benefits

During the Reporting Period, we reformed our performance management based on our management concept of “high challenge, high performance, high returns”. We revised and improved the “Employee Performance Management System (2020 Edition)” and continued to implement a dynamic high performance management mechanism. At the same time, we systematically reviewed the performance evaluation criteria for three key groups, namely, executives, experts, and operation units’ members to promote the agility of our organization and the efficiency & innovation of our employees, as well as enhance organizational effectiveness continuously.





Optimization of remuneration management

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

Talents are invaluable assets of an enterprise. To improve employee retention, we provide employees with a wide range of benefits, including quarterly benefits, holiday benefits, birthday benefits, and free health checks every year. In terms of holiday benefits, we provide annual leave, sick leave, parental leave, marriage leave, bereavement leave, etc. in strict accordance with national regulations.




Healthcare benefits

- 
 We integrated various healthcare resources to develop our independent employee healthcare program. We engaged doctors with extensive clinical and health management experiences to lead the program. A health management system has been developed, and provided various health management services to address our employees' medical needs and improve their health;
- 
 The program analysed the results of employees' health checks and provided information on suboptimal health and potential diseases, in order to enable detection, prevention, diagnosis and treatment at early stage.



Insurance benefits

- 
 We provided all employees and their families (spouse, children and parents) with commercial medical insurance. The insurance policy covered death from accident or illness, critical illness, outpatient, and emergency treatment services. This alleviated the financial and mental pressure of employees and their families arising from accidents or diseases, enhanced the sense of happiness of employees and their families, and boosted corporate cohesion.



Material benefits

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 In 2019 and 2020, we engaged Wahaha Group to develop a healthy green tea drink with summer and autumn tea leaves grew by Geely's poverty alleviation project in Leishan, Guizhou Province. We gave these tea drinks to our employees and brought them a refreshing summer;
- 
 We set up a team of "Gift Angels" to deliver birthday gifts to employees and organized birthday parties with high participation rate;
- 
 We have developed an in-house online shopping mall which offered discounted goods, via bulk purchase, to the employees. We have further optimized the shopping experiences during the Reporting Period to enrich benefits for the employees.



Care for employees

Geely Auto is committed to building an employee care system throughout the employee's life cycle. We continue to improve our employee care system in terms of onboarding, making friends, marriage, childbirth, childcare and children's enrollment in schools, accommodation, training, career development, risk protection, holiday celebration, social responsibility, resignation, and retirement. On the other hand, we tailored our care and support to cater for different groups of employees.

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



Care throughout employee life cycle

To safeguard the interests of employees, we have introduced systems for caring and encouragement, mutual support among employees, and education aids. We have achieved the following: celebrating birthdays, weddings, and childbirths, visiting hospitalized employees, helping employees with family difficulties, expressing condolences on deaths, and rewarding employees' virtuous acts;

Since 2017, we spent nearly RMB100 million each year to purchase critical illness insurance for all employees, their spouses, children, and parents to express our care.

Tailor-made care and support

Special care for these employees: female employees, second generation employees, ethnic minorities, employees from Hong Kong, Macao, and Taiwan, non-Chinese employees, transferred/retired militararians and their families, graduates from abroad, volunteers, model employees, retired employees, spouses of employees who passed away during employment, etc;

We organized welfare activities for female employees during the period of International Women's Day on 8 March every year;

For employees with difficulties in their lives, the trade union expresses sympathy and offers aids.

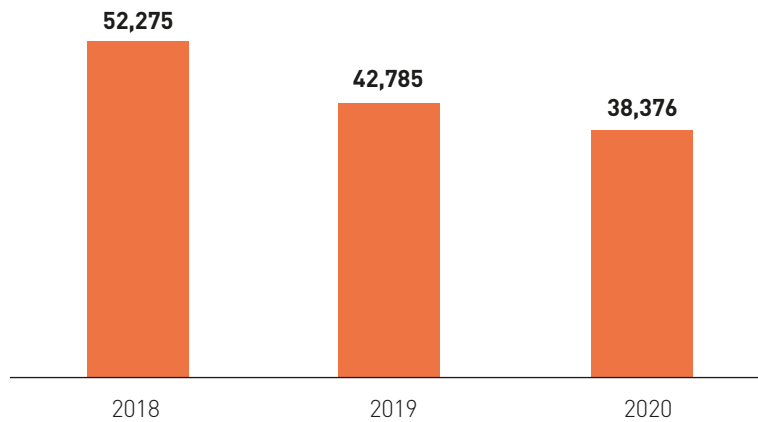


To help foreign employees and expatriate employees fit in their teams and integrate with local cultures, we have set “Provisions on the Management of Foreign Employees in China”, “Provisions on the Management of Remuneration and Benefits of Foreign Employees in China”, “Provisions on the Management of Expatriate Employees”, etc. and formed tailor made care and support solutions to improve the satisfaction level of these employees. We designed an induction program for foreign employees working in China to help them fit in our corporate culture and work environment as well as familiarize with the local work and life. Besides, we recognize the importance of overseas festival culture and organized relevant celebrations for non-Chinese festivals.

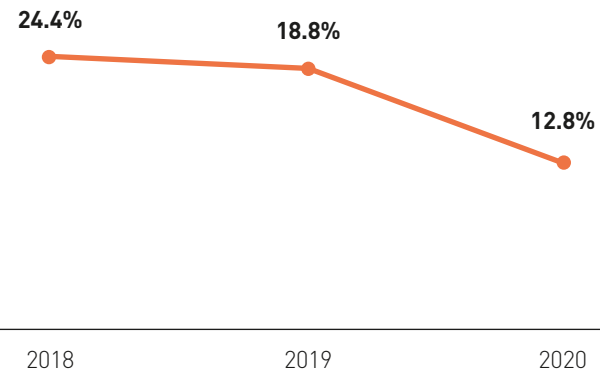
Geely Auto makes consistent efforts to create a family-like workplace and seek benefits for our employees. During the Reporting Period, our employees’ turnover rate decreased for three years consecutively. Amongst the new hires, 785 were re-employed. 100% of employees returned to work after their parental leave.



Total number of employees



Employee turnover rate



7.3 TRAINING AND DEVELOPMENT

The Group established a Talent Forest system and designed tailor-made training programs for management talents, professional talents, skilled talents, and business partner talents. Taking the approach of learning in action, we combined knowledge with practice. Employees brought their annual key tasks into their training programs and graduated with solutions and actual outcome to these tasks. Therefore, the training programs achieved improvement in both employees' capability development and organizational performance.

Training and development system

We established our own enterprise university which formulated a talent development system targeting at different groups of employees at different levels. These training programs focus on different groups' key areas to deepen the building of talent pipelines. In addition to providing specialized development for employees and high potential talents, we also developed trainings for business partners to grow together. Based on management, professional and skilled talents, the enterprise university also developed respective talent pipeline development mechanisms.

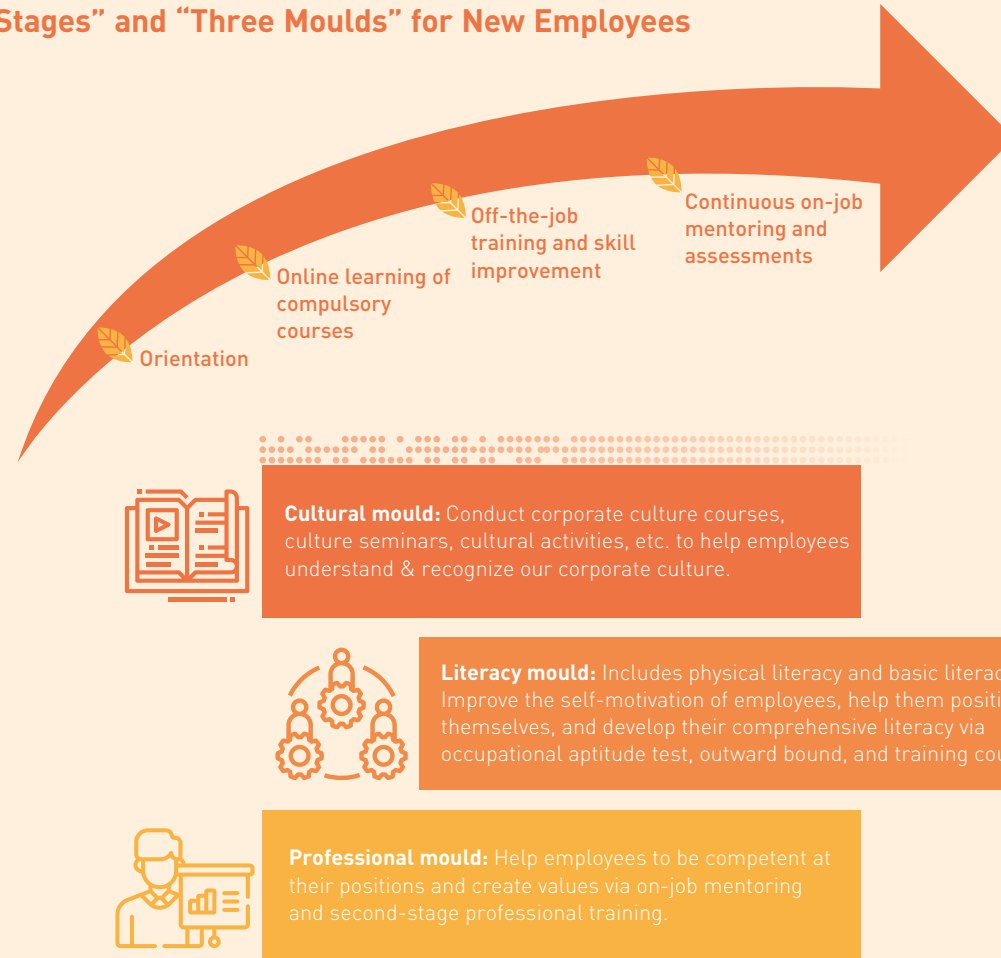


We tailor made training and enhancement programs for employees in different periods and stages, so that there were opportunities for employees at each level to upgrade their abilities apart from on-job trainings.

Development for new employees

In order to help new employees understanding our corporate culture, organizational structure and operations of the Group, and product concepts, as well as improving their professional literacy, our enterprise university designed different onboarding programs for new experienced hires, new graduates, new executives, namely "Dream Chaser", "Project Reservoir", and "Turnaround" respectively. At the same time, we developed our new hires by moulding them with "Three Moulds" at "Four Stages". New hires are required to complete compulsory courses such as "Corporate Culture", "Product System Overview", "Compliance Management Fundamentals", and "HR Knowledges". Specialized courses have also been designed for different groups of new hires. These courses helped new hires to assimilate into our corporate culture, familiarize with workplace and be competent in job positions.

"Four Stages" and "Three Moulds" for New Employees



Development for high-calibre talents

We engaged Zhejiang Automotive Vocational and Technical College to train masters and doctors (post-doctoral researchers) in automotive engineering, enterprise management, and automotive marketing, creating a new approach to post-graduate education reform. We partnered with prestigious universities in China and abroad to explore development model of high-calibre talents. During the Reporting Period, our educational collaborations were as follows:

University-enterprise joint cultivation of high-calibre talents

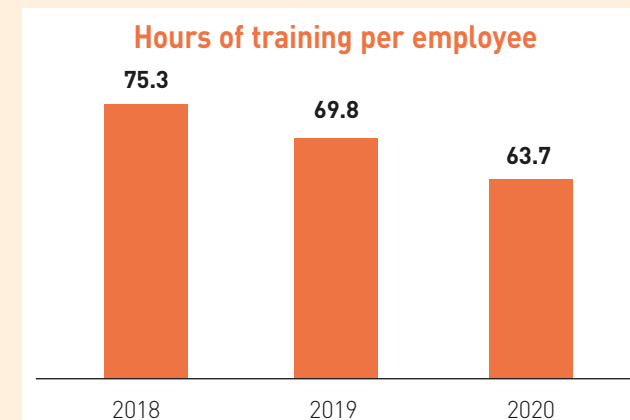
- Jointly trained postgraduates with the School of Engineering of Zhejiang University. We jointly developed courses with the university, provided our employees as teaching resources and invited the students to visit our R&D Center. In 2020, we developed 4 courses with 18 employees hired by Zhejiang University as adjunct researchers, adjunct professors, and practice tutors. This collaboration has jointly cultivated 209 postgraduates since its launch in 2017;
- Jointly trained postgraduates with Nanjing University of Aeronautics and Astronautics and developed training program together. The program has trained 59 students since its launch in 2019;
- Established a joint training mechanism with Yanshan University that covered undergraduate, postgraduate and doctoral programs;
- Established a joint talent training program and R&D base with Harbin University of Science and Technology, and donated 2 test vehicles for research purpose.

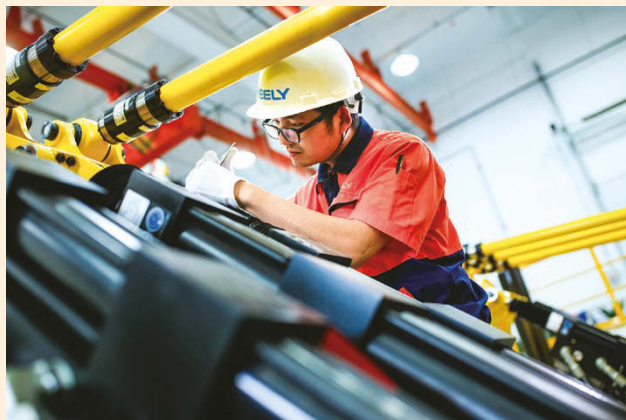
Skill development for front-line employees

We improved skill-oriented evaluation and incentive mechanisms as well as organized skill competitions among employees. Based on the characteristics of the industry, we developed a career development plan for skilled talents. We promoted the development of organization, policies and system on the training and evaluation of highly skilled talents and developed our unique rating system for skilled talents.

At the same time, we established the skill master workshop where subsidies were awarded based on the employees' skill ratings, which motivated them to hone their skills. We adhered to the principle of "better returns for those who are more hardworking and skilful" to improve our skill-based, performance-driven remuneration system for front-line workers.

During the Reporting Period, we were unable to carry out offline training as planned in the first quarter due to the COVID-19 outbreak, and therefore affected the training hours of our employees. However, we were flexible and changed to online trainings to minimize the impact of the pandemic on the trainings. In the future, we will also develop more diversified training strategies and establish a stronger training development system.





7.4 HEALTH AND SAFETY

Geely highly recognizes the physical and mental well-beings of employees. We are committed to creating a safe and healthy workplace for employees and continuously improving our occupational health and safety management system. During the Reporting Period, in response to the “Three-Year Plan to Improve Work Safety Administration Nationwide” issued by the Work Safety Commission of the State Council, we acted in strict accordance with national laws and regulations on occupational health and safety, including the “Work Safety Law of the PRC”, the “Law of the PRC on the Prevention and Control of Occupational Diseases”, the “Provisions on the Supervision and Administration of Occupational Health at Work Sites”, and the “Measures for the Administration of Occupational Health Examination” to continuously strengthen our occupational health and safety efforts. During the Reporting Period, 100% of our production plants satisfied the OHSAS 18000/ISO 45001 occupational health and safety standards and received third-party certification.

In 2020, we achieved the goals on accident indicators, rectification of hidden hazards, and Health, Safety and Environment (“HSE”) evaluation. In addition, we upgraded our HSE system, strengthened work safety control and safety culture development, and improved risk identification and hidden hazard detection and rectification to continuously improve safety management.

Goals in 2020 Accomplished

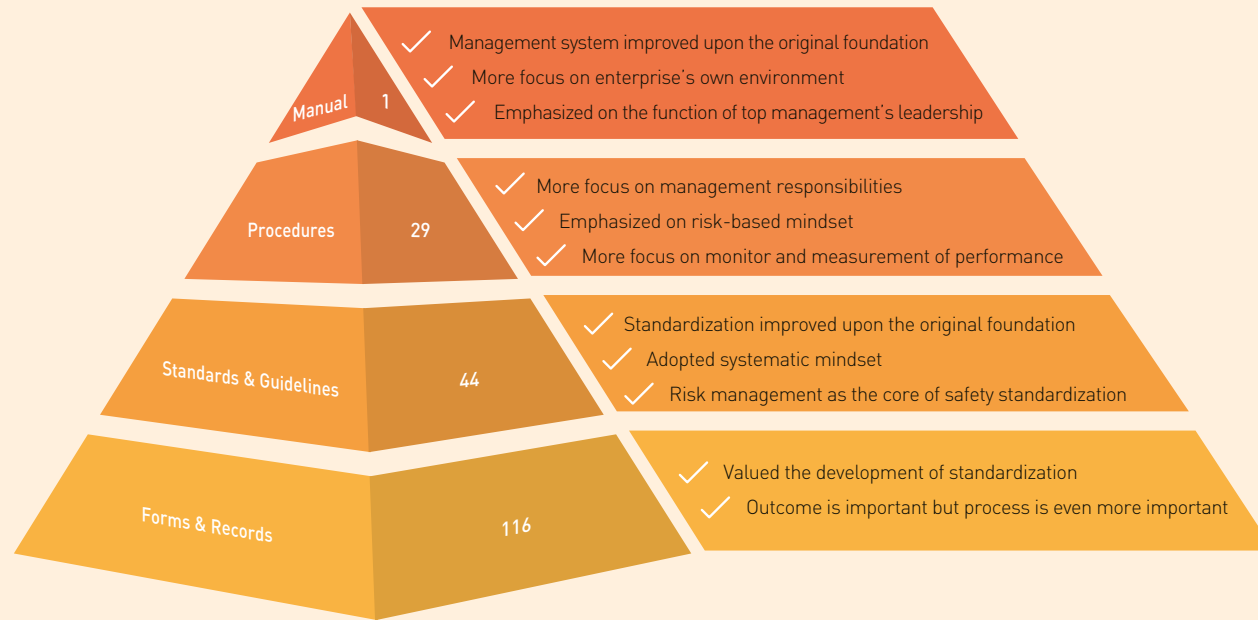
- 🔗 Class 4 accidents: 0.035‰
- 🔗 Class 3 accidents: 0.2‰
- 🔗 Class 2 accidents: 3‰
- 🔗 Normal class and above fire accidents: 0.05‰

🔗 Rectification rate of hidden hazards ≥ 98.5%

HSE management system and assessment

The Group is committed to establishing high level of safety and health standards. To this end, we formulated a comprehensive management system with risk management as the core of safety standardization. We strengthened the monitoring and measurement of KPIs and continued to promote standardized systems. During the Reporting Period, we standardized the occupational health and work safety management of all production plants with the procedure documents, standards, and assessment criteria of our HSE management system.





In respect of the Health module, we have set policies including the "Personal Protective Equipment Control Procedures", the "Management Standards on Occupational Health Filing", the "Standards on Occupational Disease Hazards and Warning", and the "Management Standards on Occupational Physical Examination". In respect of the Safety module, we have set policies including the "Hazard Source Identification and Risk Assessment Procedures", the "HSE Management Procedures for Equipment", the "Hazardous Operation Approval Management Procedures", the "Hazardous Chemicals Management Procedures", the "Work Safety Information Management Procedures", the "New Energy Battery Pack HSE Management Standards", and the "Qualification Management Standards for New Energy Safety Related Positions" to strengthen work safety and ensure occupational health. In addition, each production plant refined its HSE management system based on the features of its own manufacturing processes. Our Work Safety Committee organized regular safety inspections to ensure safety management. To ensure the implementation of our HSE management system, we developed the HSE Management System Evaluation Criteria (A1 Edition) to evaluate the occupational health and safety performance of each production plant, and established a professional HSE audit team.

We have a three-tier overall safety management structure consists of the Work Safety Committee of the Group, work safety committees of subsidiaries, and work safety leading groups of production plants. We established the Safety and Environmental Protection Department at the Group level, safety and environmental protection departments in the subsidiaries, and safety officers and dedicated safety management staff in the production plants. These units have different responsibilities and collaborate to implement work safety.

Occupational health

To protect the occupational health of employees, we established a complete occupational health management system to identify the occupational hazards of each position. We invested in occupational disease protection facilities and conducted regular occupational hazard tests. We conducted occupational health monitoring, provided employees with personal protective equipment, and established occupational health record for each employee, to create a safe and healthy workplace for employees.

- We identified the occupational hazards in the workplace in accordance with the relevant laws and regulations to ensure controllable workplace hygiene;
- We set up protective facilities such as ventilation, dust removal, and noise reduction to reduce the intensity of occupational hazards;
- We performed annual on-site occupational hazard detection and quarterly monitoring to monitor employees' exposure to occupational hazards in the workplace;
- We provided personal protective equipment for employees to reduce their exposure to hazardous environments;
- We provided occupational physical examinations for employees before, during and after they hold the posts to ensure their occupational health and safety;
- We established occupational health files for employees to document their exposure history to occupational hazards, occupational medical history, occupational physical examination results, etc. to ensure their traceability.



We organized occupational health trainings to put our plan on the development of occupational health in practice. These trainings improved our employees' awareness on occupational health, and enhanced their knowledge and skills in protecting themselves from occupational hazards. We provided different occupational health trainings at company level, production plant level, and team level to all employees in the respective groups. The employees can only commence working after passing the examination, to ensure that they are equipped with sufficient occupational health knowledge. During the Reporting Period, due to the COVID-19 outbreak, we organized online classes on occupational health at night to improve the occupational health and protective skills for our employees involved in plant and facilities construction.

Occupational Health Week

During the 2020 Occupational Health Week, we organized occupational health training for employees involved in or exposed to occupational hazards to improve their occupational hazard protection skills. The training covered 100% of workers exposed to occupational hazards with a passing rate of 96.81%.

COVID-19 countermeasures

In addition, during the COVID-19 outbreak, we immediately established a pandemic prevention and control team which helped ensuring orderly operations during the pandemic and achieved zero infection in our employees.



- Constantly monitored the health conditions of workers



- Single entrance with temperature measurement and real name registration



- Carried out COVID-19 infection emergency drill



- Kept social distance in the canteen



- Disinfected public spaces such as dormitories, canteens, and pantries



- Set up bins for face masks for centralized disposal



Management of safety risk and hidden hazards

In April 2020, we combined cases of equipment installation and commissioning accidents and relevant laws and regulations, to identify on-site safety risks in equipment installation and commissioning, developed a checklist of safety risks, and formulated operating guidelines for distribution to our construction project teams. This checklist served as pre-acceptance guidelines and criteria for acceptance. Our safety and environmental team participated in the pre-acceptance and rectified identified problems timely. These resulted in avoiding rectification post-acceptance which would be more difficult and costly. During the Reporting Period, we organized all production plants to establish a three-level emergency response mechanism comprising emergency response teams of company-level, department-level, and team-level. In addition, we organized emergency drills on a regular basis per year to sustain our emergency response capabilities.

To further strengthen construction safety management, we organized an on-site construction safety meeting in May 2020. This meeting analyzed industry's accidents in the past three years comprehensively and summarized the pain points and difficulties in the safety management of ongoing construction projects to alleviate fatalities. In accordance with the "Three-Year Plan to Improve Work Safety Administration Nationwide", the "Standards for Determining Hidden Hazards of Significant Work Safety Accidents in Industrial and Trade Industries", the "Standards for Determining Hidden Hazards of Significant Fire Accidents", and local standards for determining significant hidden hazards in construction, we developed the "List of Significant Hidden Hazards of the Group", and conducted screening work accordingly. In August 2020, we conducted a review on screening and handling of hidden hazards of work safety accidents to further promote effective control of hidden safety hazards.



• Construction safety meeting to fully analyze management flaws and problems during the construction process



• Screening and handling of hidden safety hazards and the corresponding subsequent review on such work

In addition, during the Reporting Period, we strengthened the management and control of fire safety by providing trainings for the fire safety management team and developing standards for the deployment of automatic fire safety equipment for dry spray booths.

Training for the fire safety management team



• The fire safety training was conducted from 28 July till the end of September. This training included 6 lectures and Q&A sessions, amounting to a total of 27.5 hours. 213 operation videos were filmed and 71 key areas on fire safety management standards were developed.

Develop standards for the deployment of automatic fire safety equipment for dry spray booths

• In April 2020, the HSE Department cooperated with manufacturing engineering centre and the Hangzhou Bay plant to survey on the deployment of automatic fire safety equipment for dry spray booths. The parties rectified closed sprinklers beneath the distribution layer, and developed deployment standards and management measures.



Safety culture development

In June 2020, we launched the 2020 "Work Safety Month" campaign. Our production plants organized events and activities on culture development, training and education, knowledges and skills, emergency response capabilities, hidden hazard screening and handling, which aligned with the requirements of local governments and seasonal key points. Events and activities included work safety micro-lesson competition, photo competition with work safety theme, safety dissemination and consultation day, and environmental protection day, which contributed to a sound work safety culture and improved the safety skills of all employees.

KYT appraisal at the Hangzhou Bay Engine Factory

Kiken Yochi Training (KYT) is a widely used training for hazard prediction. We adopted KYT to enhance the employees' ability in hazard prediction, to achieve eliminating hidden hazards of accidents and building strong lines of defense.

In June 2020, the Hangzhou Bay Engine Factory launched the "The Best KYT Implementation Appraisal" contest. The preliminary contest enhanced the KYT implementation among the workshops and divisions and motivated the employees on adopting KYU activities. Using a contest instead of normal practice accelerated KYT's application.



Safety improvement case competition held by BMA Chengdu project office

In June 2020, the safety team and assembly team of the assembly workshop of the BMA Chengdu project office held the first safety improvement case competition. Seven departments, namely, stamping, welding, painting, assembly, equipment, logistics, and quality, each nominated the best improvement case to be presented for competition in this event.



This event helped employees to develop awareness in risk and hazard. These safety improvement presentations will become regular events in order to motivate employees in improving safety.





• HSE event (Baoji plant's first aid training)



• HSE event (Guiyang plant's dissemination of safety plan)



• Work Safety Month (micro-lesson competition)



• Work Safety Month (dissemination and consultation day)

During the Reporting Period, we conducted a program to assemble a special task force in our safety and environment system. All the participants were certified as HSE auditors. In November 2020, the Work Safety Committee organized these HSE auditors to conduct a 15-day systematic assessment of existing and newly launched production plants, covering basic management, environmental protection, occupational health, mechanical safety, thermal deflagration and explosion safety, electrical safety, fire safety, and operation environment. In general, our HSE system was functioning well in all plants with safety and environmental

Note:

1. According to The Standard for Lost Working Days in Injury Accidents (GB/T 15499-1995), employee death is calculated in 6,000 working days
2. The calculation method of absenteeism rate = Lost days due to work injuries/ total working days

indicators under control. New plants' safety level was evaluated to have been further improved. Overall, operation safety, environmental protection and occupational health have a conformity rate of 90%. We also requested individual plants to rectify their weaknesses with a clearly defined deadline. They were also required to enhance learning and application of professional knowledges and incorporate the management of safety, environmental, and fire risks into their business management processes to ensure HSE compliance and improve HSE performance.

For individual significant safety incident, we would launch investigation immediately, penalize those personnel with responsibility and request relevant departments to implement effective rectification and preventive measures. We would also formally notify to all of the Group's employees the details of the investigation, punishment, and rectification & preventive measures taken, to remind and ensure that the others will implement applicable rectification and preventive measures as well. Therefore, similar accident's reoccurrence can be avoided and reduce the corresponding loss of working days as well as financial loss.

Indicator	2018	2019	2020
Number of accidents	19	13	15
Number of work-related fatalities	0	0	1
Rate of work-related fatalities (‰)	0	0	0.026
Lost days due to work injuries (day) ¹	454	336	6,773
Rate of severe injuries (‰)	0.042	0	0
Rate of minor injuries (‰)	0.22	0.20	0.36
Number of occupational disease cases	0	0	0
Rate of occupational diseases (‰)	0	0	0
Rate of work-related injuries (‰)	0.27	0.22	0.39
Rate of absenteeism (‰) ²	0.025	0.044	0.706
Financial loss caused by accidents (RMB10,000)	29.10	11.60	237.88





Care for Community and Fight the Pandemic Together



... 8.0

Geely Auto Focus

Geely Auto always regards social responsibility as an important part in our corporate development strategy, and works hand in hand with employees, customers, partners and other stakeholders to jointly participate in community development, continuously exploring the modes and means of corporate philanthropy, in order to precisely spread love and warmth to the communities.



STRATEGY AND APPROACH

The Group shares the same philosophy and system of social responsibility of Geely Holding Group, and participates in the related philanthropic activities. Based on our philanthropic value proposition is to “Let the world experience love” we focus on equity in education and eco-friendliness, while extending to three philanthropic issues, namely, disaster relief, cultural diffusion and humanistic care at the same time. We adopt four principles in the planning of social responsibility, namely, solving real social problems, achieving community integration, promoting stakeholders’ in-depth participation, and exploring sustainable philanthropic model.



8.1 PHILANTHROPY

Philanthropy is not simply a job we always adhere to, but also our passion. Based on the “Social Responsibility System”, we persist the philosophy of helping the others, being responsible to the public and care for the society.

The Group is deeply aware that the promotion of philanthropic development requires continuously strengthening of communication with the society, and organic integration of community development and enterprise development, which also result in witnessing each other’s improvement. During the Reporting Period, we conducted various forms of communication with our stakeholders, listened to the needs of the society, and focused on caring children, adolescents and disadvantaged groups.

We visit relevant government departments, charitable organizations and disadvantaged groups monthly to understand the needs of the society, and also for efficient planning of our philanthropic activities and optimizing our relevant resources. We also promote our philanthropic philosophy to employees, suppliers and dealers, and encourage them to actively participate in our philanthropic activities. In order to listen to the demands more effectively and disseminate our philanthropic philosophy, we update the latest development in our philanthropic activities via official website, blogs, social media platforms, etc., and collect opinions from our stakeholders via these channels.

We have organized “Green Running Tracks”, our star project in supporting village children’s to realize sports dream, for seven consecutive years, and held non-remunerated blood donation activities for ten consecutive times, summoning employees to participate in our philanthropic activities.



“Green Running Tracks” Project



“Green Running Tracks”, a project supporting village children to realize sports dream, continues to focus on youth education and growth as well as their potential development. During the Reporting Period, we collaborated with KEEP, a fitness app, to launch a charity project in a combined form of online and offline, which attracted more than 100,000 people to participate in the online activities and converted their “sport points” into charity points. These charity points were used to exchange sports equipment, which were donated to Nanbai Primary School in Jinzhong City, Shanxi Province, Danjiang Primary School in Leishan County, Qiandongnan Autonomous Prefecture of Guizhou Province, Dayan Town School in Fenghua, Zhejiang Province, Bajiao Township Primary School in Yilong County, Nanchong City, Sichuan Province, and Geely Kindergarten in Upstream Village, Saradipo Township, Zhaojue County, Sichuan Province.

Student Tours



In August and November 2020, we organized tours for teachers and students from two primary schools to visit the Group’s factories, introducing the history and corporate culture of Geely Auto as well as sharing the imagination of automobile’s future together.

Employees’ Non-remunerated Blood Donation Activities



The non-remunerated blood donation by employees has become an annual activity of the Group. In September 2013, Yin Yi successfully donated hematopoietic stem cells, becoming the Group’s first and the 3,723rd hematopoietic stem cell donor in China. To pay tribute to Yin Yi’s dedication and encourage employees to practice the value of friendliness, the Group designated September 16th as every year’s “Geely Blood Donation Day”. During the Reporting Period, we organized voluntary blood donation activities in the Group’s headquarters in Hangzhou, and 156 people donated blood successfully with a cumulative donated volume of 49,940 ml. To date, we have organized ten non-remunerated blood donations in Hangzhou, with a total of 730 participants donating 216,760 ml of blood.



Home Visit to the Elderly, Love and Care Delivered at the Beginning of Winter



In November 2020, we launched an activity of visiting the elders in the nursing home of Baiyun District with the theme of “Expressing warmth when winter begins, Care for the Elderly”. More than ten volunteers participated in this activity. We sent milk, rice, cooking oil and other living necessities to the elderly in the nursing home, talked to them face to face, helped them to clean the nursing home, cut their hair, trimmed their nails and made dumplings with them, which fully demonstrated our warmth and care for the elderly.

Geely Auto has been continuously exploring the modes and means of sustainable philanthropy. Making full use of the “online + offline” philanthropic model, we clearly capture the philanthropic coverage and participation, and continuously improve the operation mode of our philanthropic activities.

8.2 FIGHTING THE PANDEMIC “Mobilize and Unite Geely’s Global Workforce to Go All Out on Pandemic Fight”

In 2020, the COVID-19 broke out on globally bringing an unprecedented challenge. The pandemic not only affected the Group, our employees, business partners, customers and stakeholders, but also influenced all human beings on Earth. As a responsible enterprise, we not only took prompt measures to deal with the major risks resulted from the pandemic, but also upheld our value proposition of “Let the world experience love” and launched the initiative of “Mobilize and Unite Geely’s Global Workforce to Go All Out on Pandemic Fight” with the Li Shufu Charity Foundation, to mobilize our global resources to support the prevention and control of disease in places severely affected by the pandemic.



Effective Pandemic Prevention and Control, Orderly Resumption of Work

The pandemic broke out during the Chinese New Year holiday, while many employees faced major infection risks during travelling to their home town and back to work across provinces and cities. The Group attached great importance to these risks, relevant departments jointly formulated and implemented a series of measures under the leadership of the top management. With formal notice issued to all employees, we spared no effort to minimize the negative impacts of the pandemic on our operation on the premise of ensuring the health of employees:

- ❧ Provided guidance for arranging itineraries in Wuhan, and emergency plan during the quarantine period;
- ❧ Collected employees' health status and whereabouts during the holidays; Implemented measures such as postponing work resumption in workplace or working from home according to different situations; provided support to those in need or whose immediate family members are medical personnel;
- ❧ Arranged buses to pick up employees to our production plants to reduce the risk of infection in public transportation on their ways back to work;
- ❧ Invited experts from Centre of Disease Control and Prevention to conduct practical training on pandemic prevention and control;
- ❧ Measured body temperature at work, thorough disinfection of the workplace, scattered seating in maintain social distance, cancelled dining in canteen and delivered meals to the employees;
- ❧ Set up a remote working support team for home office to provide various software and IT solutions;
- ❧ Each production plant actively communicated with the government, and followed up with the suppliers on their schedules of work resumption and logistics to gradually realize the production capacity increase.



To ensure effective implementation of the aforementioned measures, we issued notices twice on winning the pandemic battle and promoting the resumption of work and production. Emergency prevention and control teams were set at the group level to support business units in the Group. Supervisory department ensured that all business units implemented measures as required. At the same time, we demanded all business units to archive the documents for the entire process of the pandemic prevention work.

During the Reporting Period, the effective implementation of pandemic prevention measures contributed to zero infection for the Group's employees, while our business operations were not significantly affected.

- ❧ By the end of February 2020, most production plants of the Group had reached 100% resumption of work and production;
- ❧ By the end of March 2020, 331 suppliers of the Group in Zhejiang Province had all resumed production, and 150 suppliers in Hubei Province have completely resumed work and production, which led to steady increase in our production capacity and the domestic supply chain risk has been effectively controlled. Dealers of the Group have substantially resumed work. The resumption rate of Geely Automobile dealers reached 99.8%, Geometry Automobile dealers reached 97.08%, and Lynk & Co Automobile dealers reached 96.5%.



In addition, the Group launched “Two-way Care” campaign (referring to enterprise and employees care for each other’s activities), and carried out activities such as visiting front-line employees to express solicitude, employee forum and benefits for employees, which boosted morale and brought unity. The Group also enthusiastically guided the formation of volunteer teams at all levels. The volunteer teams expressed care and sympathy to the frontline staff fighting against the pandemic, delivered traditional Chinese herbal decoctions for disease prevention to security guards and canteen staff, and arranged for a door-to-door haircut service for employees.



- Through employee survey and communication, the Group made consolation payments to 20 employees’ family members who were medical personnel participating the pandemic prevention and control in Hubei province;
- To educate and encourage our employees the spirit of overcoming difficulties together and continuously striving, the performance of pandemic prevention and control and resumption of work and production for each business unit in the Group was reviewed, to award the titles of the best units and individuals against the pandemic.

Although the Group quickly restored efficient operation with the implementation of pandemic prevention and control measures and policies, we have never taken the pandemic lightly. The outbreak tested our emergency management system, public health prevention and control system, production and supply chain safety system, which accumulated a lot of valuable experiences and practices. After the resumption of work and production, the Group summarized the relevant experiences, shared and discussed internally, and further optimized the mechanism and policies of pandemic prevention and control to improve our ability in handling emergencies.



United as One to Fight Against the Pandemic

Geely Holding Group and Li Shufu Charity Foundation have jointly set up a special fund of 200 million RMB to support pandemic prevention and control. Meanwhile, the labour union launched a donation initiative which raised about 8.4 million RMB, of which 7 million was donated to Wuhan Charity Federation to help families suffered from COVID-19, and the rest of 1.4 million was donated to the local organizations of subsidiaries to support regional anti-pandemic actions.



Honorary certificate issued by Wuhan Charity Federation

The Group also devoted itself to support activities during the pandemic. Taking our global resources, value chain and research capabilities into consideration, we immediately coordinated our internal and external resources to develop healthy car, donate vehicles for pandemic fight. Additionally, we also provided care and assistance to Chinese and overseas stakeholders such as employees, customers, dealers, suppliers, medical personnel and affected families. Through the planning and implementation of a series of programs, we have established close cooperation with all walks of life to fight against the pandemic.

Employee's Voices



Arina

Receptionist, Geely Auto Russia Subsidiary

“China is one of Russia’s largest commercial partners, also the best friend of Russians. We are willing to help China fight the virus, and Geely Auto Russia has taken actions to provide medical equipment to pandemic affected areas in China. We believe that Russia and China will definitely defeat COVID-19. Come on, China!”



Wang Rui

Environmental protection module engineer of vehicle engineering center, Geely Auto R&D Center

“During the pandemic, Geely Auto started R&D project of “Healthy Car”, which required us to work for at least 13 to 14 hours daily in the preliminary preparation stage. Everyone worked so hard to start relevant R&D work at once after resumption of work. I hope that our efforts can further promote healthy vehicle technology in China’s automobile industry, and wish our customers can also perceive what we have been working for. Come on, Geely! Come on, China!”



Procurement and Donation of Medical Equipment

- Our Chinese and overseas teams cooperated swiftly to purchase masks, protective clothing, goggles and other medical equipment with a total amount of 42.13 million RMB all around the world, which were donated to social organizations and medical institutions such as Wuhan Red Cross Society, Guizhou Charity Federation, Shanghai Public Health Clinical Center and hospitals in Zhejiang;
- Donated disposable surgical masks, ventilators and other pandemic prevention materials to 13 countries including Belarus, Germany, Sweden, the United Kingdoms and Malaysia, with a total amount of 21.68 million RMB;
- Donated about 90,000 disposable surgical masks to 31 overseas dealers, and launched a special campaign of anti-pandemic service with the theme of "Geely CARE will always be with you", working together with dealers to show love and strength when the world is under the shadow of the pandemic.



- During the severest time of the pandemic in China, the "Medical Supplies Procurement and Donation Team" organized by Belarusian employees donated equipment to the First Affiliated Hospital of Zhejiang University and the Zhejiang Provincial Public Security Department.
- When the pandemic broke out abroad, the Group donated medical equipment to Belarus.

R&D of CN95 Healthy Car and Donation of Anti-pandemic Vehicles

- Invested 370 million RMB to launch the R&D of "all-round healthy cars" with a virus prevention function, which completed the development of automotive grade "CN95 air-conditioning filter" in only 20 days. Mass production started in 30 days, and were equipped first on the 150 Jiaji MPVs donated by Geely Auto to the pandemic affected area. Subsequently, free replacement was offered to our customers in China;



• Anti-pandemic convoy

- The filter has become the first in China to be awarded with "CATARC CN95" certification (certification number: 001) issued by Huacheng Certification Center of China Automotive Technology and Research Center, and also received a China-mark official certification on filtration protection of solid particles/aerosols at vehicle level issued by "TÜV Rheinland", a world-renowned certification organization;
- A total of 169 Jiaji MPVs and 3 Lynk & Co vehicles were donated to Wuhan, Shaanxi, Guizhou, Shanxi and Zhejiang provinces.



• CN95 Healthy Car



Care for Medical Personnel

During the pandemic, safe and healthy travel service for free was provided to medical personnel and their families, including those who traveled from Zhejiang to support pandemic prevention in Hubei province;

Medical personnel in China were offered additional discounts when purchasing Geely Automobile, Lynk & Co and Geometry cars of the Group. For instance, Geely ICON (equipped with automotive grade CN95 air-conditioning filter) and DX DOCTOR launched an event jointly to express gratitude to medical personnel on Doctors' Day on 30 March 2020. Preferential policy of exclusive lifelong free maintenance service and care fund for car purchase within the specified time were offered during the event.



Post-Pandemic Caring Program

The pandemic has significantly affected normal production order of the industry and commerce in China, and the job market's overall demand declined. Adhering to the equality plan and principle of anti-discrimination, in order to alleviate the employment pressure of college graduates in Hubei affected by the pandemic, we launched the "Employment Program for Hubei Province", targeting 2020 graduates in Wuhan, graduates in other cities of Hubei Province and the immediate family members of front-line medical personnel fighting the pandemic. We cooperated with the educational resources of Geely Holding Group's colleges and universities to carry out preferential policies including assistance on further education and employment;

We launched the "Pandemic Relief" protection plan (including the insurance for death caused by COVID-19 and insurance for aircraft and rail transit accidents), providing 30 million special free insurances for Geely, Lynk & Co and Geometry's car owners and their immediate family members, our dealers in China, and our employees and their families;

We composed a charity song of "Smile is Still Brilliant" with lyrics written by Chairman Li Shufu, paying tribute to the pandemic fighters. The song was sung by various groups of people after its release, and an international version was published later, conveying the message of a shared fate for humanity to battle against COVID-19.

Disaster relief is one of the three extended topics in our philanthropic system. In addition to ensuring the rapid resumption of efficient operation, backed by our sound philanthropic system, we have worked hand in hand with our stakeholders to overcome the pandemic from their perspective guided by our philanthropic system. We have not only received gratitude from the organizations we supported and but also further improved the cooperation mechanism and transparency of our philanthropic programs via continuous review on our actions' outcome.



8.3 TARGETED POVERTY ALLEVIATION

In order to practice the spirit of “Resolutely win the fight against poverty”, and the initiative of poverty alleviation cooperation between the East and the West Regions proposed by the State Council Poverty Alleviation Office, and make substantive efforts to implement the targeted poverty alleviation action of “Tens of Thousands Enterprises Help Tens of Thousands Villages” by the All-China Federation of Industry and Commerce, Geely Holding Group together with Li Shufu Charity Foundation officially launched the “Timely Rain” project in March 2016.,

The Group actively responded to and devoted itself to various targeted poverty alleviation projects of “Timely Rain”. Adhered to the concept of “Carry out targeted poverty alleviation at places where we build production plants”, we have fully taken advantage of our economies of scale and advantages in the automobile industry and collaborated with upstream and downstream partners in these projects. Through active communication with the local disadvantaged groups, we found out their needs and the impact and opportunities brought by our development. Poverty alleviation through education, employment, agriculture and consumption were carried out in the poverty-stricken areas where the production plants were located, which enabled various resources to be effectively cycled and upgraded, and helped lifting people out of poverty.

Poverty Alleviation through Industrial Development

The Group has supported Geely Holding Group to fully exploit its economies of scale and advantages, collaborated with upstream and downstream partners to promote local economic development while solving employment problems. During the Reporting Period, Geely Holding Group donated more than 60 million RMB to Guiyang Charity Federation to build a new “Timely Rain” poverty alleviation factory in Guiyang which supplied components to the Group. 100 employees were recruited from registered poor households. At the same time, 40% of the annual profits were used for development of local villages.



Poverty Alleviation through Education

The Group always regards education as a way to solve the root cause of poverty, and strongly supports the “Timely Rain” project in the field of education. “Timely Rain” has invested over 400 million RMB which has helped more than 13,000 students. Taking advantages of educational resources from five colleges under Geely Holding Group, learning resources were granted access to poor students, their tuition fees were exempted, and subsidies were provided to help them realize their college dreams. “Timely Rain” education poverty alleviation project has established school-enterprise cooperation with more than 100 vocational and technical colleges in poverty-stricken areas, and set up 260 “Geely Talent Classes”, recruiting more than 3,000 students from registered poor households. Subsidies of nearly 1.5 million RMB were granted to poor students and approximately 13 million RMB were invested to help colleges in collaboration to upgrade their software and hardware facilities.



Poverty Alleviation through Employment

The Group firmly believes that poverty alleviation through employment is an effective way to revitalize the labor resources of the poor and an important safeguard for stable poverty alleviation. When recruiting blue-collar workers in our production plants and our suppliers, priority was given to recruiting registered poor households under the same qualifications. In terms of recruiting supporting personnel for greening, cleaning and canteens, poor household members were given priority, striving to achieve 10% of new employees consisting of registered poor household members. At the same time, skills training programs were conducted to help poor household members learning skills required for employment. “Timely Rain” has helped more than 5,000 registered poor household members to be lifted out of poverty through employment.



Poverty Alleviation through agricultural development

The Group promoted "Timely Rain" by supporting characteristic agricultural projects according to local conditions. We actively promoted "Tens of Thousands Enterprises Help Tens of Thousands of Villages", a targeted assistance program, which has a total investment of over 50 million RMB for 31 breeding projects in 43 villages of 20 counties in China. About 3,000 registered poor households with 10,000 people were helped. 40,000 people from 11,000 households were benefited.

Among these projects, "Timely Rain" helped the tea cultivation in Leishan County, Qiandongnan Prefecture, Guizhou Province, and invested 20 million RMB to build a new tea processing plant with equipment to realize "local harvest and local processing". The significance of this project is not only to help farmers to be lifted out of poverty, but also to respect and preserve precious local natural resources and cultural heritage, achieving sustainable development of the natural resources.



Poverty Alleviation through Consumption

Poverty alleviation by consumption is also an effective and immediate way of poverty alleviation. The Group, together with Geely Holding Group, are committed to "deepening poverty alleviation with meaningful consumption". Taking advantage of the large number of employees, we gave priority to purchase agricultural products in poverty areas as ingredients for our canteen and employee benefits so that the agricultural products have sufficient demand.



After nearly five years of targeted poverty alleviation implementation, Geely Auto has formed a poverty alleviation working mechanism of "Group Leading, Production Plant Responsible, Partner Collaboration, All Employees Participating", contributing wisdom and solutions for innovative social participation in poverty alleviation. More than 680 million RMB has been invested in relevant projects, and over 30,000 poverty-stricken individuals have been helped, including more than 13,000 people with education assistance, and more than 5,000 people with employment. 31 agricultural projects in 43 villages of 20 counties were conducted, and more than 100 million RMB of agricultural products were purchased.

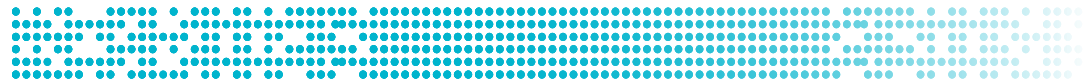
In the final year of the "Timely Rain" targeted poverty alleviation, we have endeavored to activate the inner motivation and self-development of poverty areas and the poor to get rid of poverty and fundamentally help them to achieve stable poverty alleviation. We believe that eradicating poverty is not the final destination, and we will try our best to help the poverty-stricken areas and targets to prevent them from returning to poverty. At the same time, we will gradually expand the scope of "Timely Rain" to philanthropy and continue to explore new sustainable models on the basis of the rich experience gained from the original poverty alleviation projects.





Appendix 1

List of Applicable Laws, Regulations and related standards



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

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

No.	Names of Documents
26	Notice on Carrying Out Special Supervision of National Major Industrial Energy Conservation
27	Decision of the State Council on Strengthening Energy Conservation
28	Measures for Energy Saving Supervision
29	Management Measures for Power Saving
30	Audit Method of Cleaner Production
31	Administrative Measures for Environmental Protection of Construction Projects
II.	List of laws, regulations and related standards applicable to occupational health and safety
1	Law of the people’s Republic of China on Prevention and Control of Occupational Diseases
2	Fire Prevention Law of The People’s Republic of China
3	Law of the People’s Republic of China on Work Safety
4	Law of the People’s Republic of China on Road Traffic
5	Special Equipment Safety Law of the People’s Republic of China
6	The Law of the People’s Republic of China on Emergency Responses
7	Regulations on the Supervision and Administration Of Occupational Health In Workplaces
8	Management Standard of Occupational Health Record
9	Notification and Warning Standard of Occupational Hazards
10	Management Measures for Occupational Health Examination
11	Measures for Reporting Occupational Hazards
12	Classification and Catalogue of Occupational Diseases
13	Regulations on Safety Management of Dangerous Chemicals
14	Emergency Plan Management Measures
15	Measures for Supervision and Management of Special Equipment Operators
16	China’s Three-Year Action Plan for Special Rectification on Work Safety
17	Standard to Determining Hidden Danger of Major Production Safety Accidents in Industry and Trade
18	Method Determining Major Fire Hazards
III.	List of laws, regulations and related standards applicable to human resources
1	Labor Contract Law of The People’s Republic of China
2	Regulations for the Implementation of The Labor Contract Law of The People’s Republic of China
3	Trade Union Law of the People’s Republic of China
4	Labor law of the People’s Republic of China
5	Law of the People’s Republic of China on the Protection of Minors
6	Law of the People’s Republic of China on Mediation and Arbitration of Labor Disputes

No.	Names of Documents
7	Employment Promotion Law of the People's Republic of China
8	Social Insurance Law of the People's Republic of China
9	Implementing Regulations of the Social Insurance Law of the People's Republic of China
10	Special Provisions on Labor Protection of Female workers
11	Measures for Determining of Industrial Injury
12	Regulations on Industrial Injury Insurance
13	Regulation on Prohibition of Child Labor
14	Interim Provisions on Payment of Wage
15	Regulations on Paid Annual Leave of Employees
16	Measures for the Implementation of Paid Annual Leave for Enterprise Employees
17	Regulations on Medical Treatment Period for Employees of Enterprises Suffering From Illness Or Non-Work Related Injuries
18	Measures on Having a holiday for National Annual Leaves and Memorial Days
19	Regulations on Unemployment Insurance
20	Interim Provisions on Labor Dispatch
21	Regulations for the Employment of the Disabled
22	Regulations on Management of Housing Provident Fund
23	Regulations on Practice Management of Vocational School Students
IV.	List of laws, regulations and related standards applicable to product quality management
1	Law of the people's Republic of China on the Protection of Consumers' Rights and Interests
2	Product Quality Law of the People's Republic of China
3	Regulations on the Liability for Repair, Replacement and Return of Household Automotive Products
4	Measures for the Implementation of Regulations on Recall Management of Defective Automobile Products
5	Guidelines for Air Quality Assessment in Passenger Cars
6	Management Method for Passenger Car Makers' Average Fuel Consumption and Points of New Energy Vehicle
7	Interim Provisions on Traceability Management of Power Battery Recycling for New Energy Vehicles

No.	Names of Documents
V.	List of other applicable laws, regulations and related standards
1	Criminal Law of the People's Republic of China
2	Company Law of the People's Republic of China
3	Anti-Money Laundering Law of the People's Republic of China
4	Law of the people's Republic of China on Anti Unfair Competition
5	Anti-Monopoly Law of the People's Republic of China
6	Law of the People's Republic of China on Cybersecurity
7	Data Security Law of the People's Republic of China (Draft)
8	Personal Information Protection Law (Draft)
9	General Data Protection Regulation (GDPR)
10	Advertising Law of the People's Republic of China
11	Trademark Law of the People's Republic of China
12	Patent Law of the People's Republic of China
13	Copyright Law of the People's Republic of China
14	Management Standard for Enterprise Intellectual Property (GB/ T1.1 -2009)



ESG Key Performance Indicators



Names of the Indicator	Unit	2018	2019	2020
Environmentally-friendly operation				
The rate of new and expansion projects with "environmental impact assessment" and the rate of new and expansion projects designed, built and commissioned together with the principal part of the project	%	100	100	100
The rate of environmental accidents and environmental problems complained	%	0	0	0
The rate of environmentally-friendly facilities allocated and normally operated	%	100	100	100
The rate of company's built-up area with green belt	%	19.9	20	20
Amount of big fine for violation of environmental laws and regulations	RMB 10,000	0	0	0
Times of non-economic punishment for violation of environmental laws and regulations	time	0	0	0
Weight of important leakage	tonnes	0	0	0
Pollutant emissions				
NOx emission	tonnes	143.05	154.18	128.79
SO ₂ emission	tonnes	26.52	21.97	13.56
VOCs emission	tonnes	-	-	39.73
NMHC emission	tonnes	47.39	63.83	60.44
Particulate emission	tonnes	-	-	45.44
Production wastewater discharge	tonnes	2,369,079.40	2,259,478.10	2,078,145.38
Production wastewater discharge per unit of sales volume	tonnes/vehicle	1.58	1.66	1.56
Domestic wastewater discharge	tonnes	-	-	812,233.08
COD emission	tonnes	-	-	250.37
Ammonia nitrogen emission	tonnes	-	-	8.96
Percentage of standard discharge of major pollutants	%	100	100	100
Total Non-hazardous solid waste generated	tonnes	-	-	160,163.37
Intensity of Non-hazardous solid waste generated	kg/vehicle	-	-	121.32
Kitchen waste	tonnes	-	-	145
Total hazardous waste generated	tonnes	-	7,592.19	11,180.25
Intensity of hazardous waste generated	kg/vehicle	7.28	5.58	8.47
Percentage of solid waste recycled ¹	%	92.23	91.91	99.50
Percentage of standard discharge of solid waste	%	100	100	100
Percentage of solid waste harmless treated	%	100	100	100

Names of the Indicator	Unit	2018	2019	2020
Use of Resources				
Natural gas	standard cubic meter (m ³)	-	-	59,609,987.13
Gasoline	L	-	-	13,579,492.71
Diesel oil	L	-	-	56,302.81
Renewable energy use – photovoltaic power generation	kWh	41,869,560.00	65,813,432.00	74,956,685.40
Renewable energy use – hydropower	kWh	28,089,400.00	26,547,553.00	44,710,482.00
Direct energy consumption	tons of standard coal	82,599.97	83,222.54	80,126.03
Electricity purchased	kWh	-	-	741,987,956.43
Steam purchased	tonnes	-	-	70,791.62
Indirect energy consumption	tons of standard coal	82,513.46	71,222.41	100,294.12
Total energy consumption ²	tons of standard coal	-	-	180,420.15
Intensity of energy consumption	kg of standard coal/vehicle	-	-	136.66
Water consumed for production (freshwater)	10,000 tonnes	604.27	590.16	440.34
Total water consumption	10,000 tonnes	604.27	590.16	497.01
Water consumption per unit of sales volume	tonnes/vehicle	4.03	4.33	3.76
Industrial water resources recycled ³	tonnes	-	-	4,355,868.55
Percentage of industrial water resources recycled	%	99.00	98.92	98.92
Greenhouse Gas (GHG) emissions				
Scope 1 GHG emissions ⁴	tCO ₂ e	138,921.43	141,099.52	157,820.18
Scope 2 GHG emissions ⁵	tCO ₂ e	425,621.87	418,179.98	506,704.25
Total GHG emissions (Scope 1 + 2)	tCO ₂ e	564,543.30	559,279.50	664,524.43
Intensity of GHG emissions	tCO ₂ e/vehicle	0.38	0.41	0.50
Use of Raw Material - Manufacturing				
Steel consumption	tonnes	428,279.13	383,020.44	355,508.38
Intensity of steel consumption	kg/vehicle	285.36	281.31	269.28
Paint consumption	tonnes	19,555.92	19,726.40	16,105.34
Intensity of paint consumption	kg/vehicle	13.03	14.49	12.24
Packaging Materials				
Recycling packaging consumption – engine	tonnes	4,420	4,386	4,149
Recycling packaging consumption – transmission	tonnes	980	854	1,060
Disposable packaging – vehicle manufacturing	tonnes	-	-	6,238
Intensity of disposable packaging materials	kg/vehicle	-	-	5

Names of the Indicator	Unit	2018	2019	2020
Number and distribution of employees				
Total employees at year end	person	52,275	42,785	38,376
New employee hires	person	-	-	1,676
Fresh graduates	person	-	-	1,606
Ethnic minority employees	person	-	-	1,021
Employees at year end by employment type				
Full-time employees	person	44,352	36,865	31,785
Others (including reserve staff, interns, dispatch workers and rehired retirees)	person	7,923	5,920	6,591
Employees at year end by gender				
Female	person	46,674	37,037	33,048
Male	person	6,601	5,748	5,328
Employees at year end by age group				
Under 30 years old	person	34,543	27,751	21,133
30-50 years old	person	17,032	14,433	16,639
Above 50 years old	person	700	601	604
Employees at year end by region				
North China	person	-	-	1,181
Northwest China	person	-	-	2,008
Southwest China	person	-	-	3,707
East China	person	-	-	28,336
South China	person	-	-	3,003
Hong Kong, Macao and Taiwan	person	-	-	20
Overseas	person	-	-	121
Number of members in the highest governing body at year end				
Members in the highest governance body	person	12	11	11
Female members in the highest governance body	person	1	1	1

Names of the Indicator	Unit	2018	2019	2020
Employee rights and benefits				
Percentage of labor contract signed	%	100	100	100
Percentage of social insurance covered	%	100	100	100
Percentage of medical examination and health profiles covered	%	100	100	100
Percentage of employees receiving regular performance and career development appraisal	%	100	100	100
Proportion of mainland employees membership in labor union	%	100	100	100
Employee turnover				
Total employee turnover	number	11,348	8,921	5,206
Total employee turnover rate	%	24.4	18.8	12.8
Turnover rate by gender				
Female	%	-	-	13.2
Male	%	-	-	12.1
Turnover rate by age group				
Under 30 years old	%	-	-	14.2
30-50 years old	%	-	-	10.9
Above 50 years old	%	-	-	6.5
Health and Safety				
safety accidents	number	19	13	15
work-related fatalities	number	0	0	1
Rate of work-related fatalities	‰	0	0	0.026
Lost working days caused by work-related injuries	Day	454	336	6,773
Rate of serious injury accidents	‰	0.042	0	0
Rate of minor injury accidents	‰	0.22	0.20	0.36
occupational disease accidents	number	0	0	0
Rate of occupational diseases	‰	0	0	0
Rate of work-related injuries	‰	0.27	0.22	0.39
Rate of absenteeism	‰	0.025	0.044	0.706
Financial losses caused by safety accidents	RMB 10,000	29.10	11.60	237.88

Names of the Indicator	Unit	2018	2019	2020
Development and training				
Employee training ⁶	hour	5,258,149	4,854,023	2,444,846
Percentage of employee training	%	100	100	100
Percentage of employee training by gender				
Male	%	100	100	100
Female	%	100	100	100
Percentage of employee training by types of employees				
Senior management	%	100	100	100
Middle management	%	100	100	100
Employee	%	100	100	100
Average training hours per employee by gender				
Male	hour	75.50	69.60	64.50
Female	hour	74.50	70.40	58.77
Average training hours per employee by types of employees				
Senior management	hour	76.00	59.80	65.78
Middle management	hour	75.50	63.60	66.84
Employee	hour	75.00	62.60	63.64
Average training hours per employee by positions				
Research	hour	76.00	79.30	54.70
Technology	hour	75.80	60.20	74.09
Administration	hour	75.30	63.80	53.36
Operation	hour	75.00	65.50	63.68
Supplier				
Percentage of suppliers by region				
North China	%	-	-	11
Central China	%	-	-	14
Northwest China	%	-	-	1
Southern China	%	-	-	5
East China	%	-	-	60
Northeast China	%	-	-	4
Overseas (mainly in Germany and Sweden)	%	-	-	5
Supplier management				
Suppliers received routine and irregular flight audit	%	-	-	65
Suppliers with ISO14001 system certification	%	-	-	82
Suppliers with IATF16949 system certification	%	-	-	99
Suppliers that are determined to have actual or potential significant negative social impact	number	0	0	0

Names of the Indicator	Unit	2018	2019	2020
Product quality and safety				
Percentage of products passing safety and health assessment	%	100	100	100
Percentage of total vehicles sold or shipped subject to recalls for safety and health reasons	%	0	0	0
Incidents per thousand vehicles (IPTV) (12MIS) ⁷	‰	31	28	20
Public recall	time	1	1	0
IQS ⁸	‰	115	103	203
Dealer management				
China's dealers	number	1,228	1,416	1,456
Dealer's trainings	time	-	-	691
Percentage of dealers participating in trainings	%	-	-	93
Products and customer services				
China's club member	people	2,003,959	2,358,908	2,459,707
Growth rate of club members	%	58.59	17.71	4.27
Club member's activities	time	854	644	3,180
Complaints of product and service	number	29,545	31,501	47,103
Complaint's handling	%	100	100	100
Customer satisfaction	score	-	-	94
J.D Power Customer Service Index (CSI) Study	score	719	750	753
Anti-corruption				
Compliance (including anti-corruption) training	hour	-	-	2,158.9
Average hours of compliance (including anti-corruption) training per director and employee	hour	-	-	3.5
Percentage of employees participating in compliance (including anti-corruption) training	%	100	100	100
Community activities				
Employees participated in community activities	hour	-	-	2,592

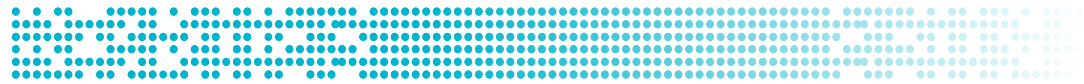
Notes:

- * The scope of ESG key performance indicators covers the Group and its major joint venture, except for number and distribution of employees which cover our overseas subsidiaries, the other indicators do not cover overseas subsidiaries.
- * The production-marketing model of Geely Auto is that sales determine production. Therefore, the related indexes in resource consumption and environmental performance were expressed in unit sales
- * In order to enhance the data completeness, the 2020 statistical scopes of environmental protection operation, pollutant emission, energy resource use and greenhouse gas emission indicators, have expanded from the previously years' scopes which covered significant vehicle production plants only. The 2020 scopes cover not only 14 vehicle plants (Hangzhou Bay 1&2, Chunxiao, Chengdu, Jinzhong, Baoji, Dajiangdong, Guiyang, Xiangtan, Linhai, Luqiao, Lynk & Co Factory in Chengdu, Yuyao, and Zhangjiakou), but also selected engine plants, headquarters in Hangzhou, or R&D centre at Ningbo Hangzhou Bay, which is/are material to the respective indicators. Due to the scope expansion of certain environmental indicators, there are noticeable increase as compared to the respective indicators in previous years.
- * Due to the expanded scope of ESG key performance indicators disclosure in 2020, and the addition of some GRI indicators, certain indicators are unavailable for 2018 and 2019 and are denoted by "-".

1. The calculation method of percentage of solid waste recycled is: comprehensive utilization amount of general industrial solid waste/generation amount of general industrial solid waste, and the scope of disclosure only includes each production base
2. The calculation method of energy consumption refers to the General Principles for Calculation of Total Production Energy Consumption (GB2589-2008)
3. The calculation method of industrial water resources recycled is: water consumption for production* the percentage of industrial water resources recycled
4. Greenhouse gas data are calculated with reference to China Energy Statistical Yearbook 2013, Provincial Greenhouse Gas Inventory Guidelines (Trial) and data released by government departments. Scope 1 GHG emissions include direct emissions generated by the use of natural gas, gasoline, diesel and other direct energy in the process of operation in 14 'vehicle' plants (Hangzhou Bay 1&2, Chunxiao, Chengdu, Jinzhong, Baoji, Dajiangdong, Guiyang, Xiangtan, Linhai, Luqiao, Lynk & Co Factory in Chengdu, Yuyao, and Zhangjiakou), 8 material engine plants, as well as headquarter in Hangzhou and Ningbo Hangzhou Bay R&D office
5. Scope 2 GHG emissions include indirect emissions from the use of power and steam purchased during office operation in 14 'vehicle' plants (Hangzhou Bay 1&2, Chunxiao, Chengdu, Jinzhong, Baoji, Dajiangdong, Guiyang, Xiangtan, Linhai, Luqiao, Lynk & Co Factory in Chengdu, Yuyao, and Zhangjiakou), 8 material engine plants, as well as headquarter in Hangzhou and Ningbo Hangzhou Bay R&D office. The outsourcing power for office operation is calculated according to the calculation factor of greenhouse gas generated by power in East China
6. The total training hours are based on the average training hours of class A employees * the number of class A employees + average training hours of class B employees * the number of class B employees + average training hours of class C employees * the number of class A employees +.....
7. Incident per thousand vehicles (IPTV) 12MIS = the number of maintenance of vehicles produced and sold for prior 12 months/number of vehicles produced and sold for prior 12 months X1000
8. IQS = the number of complaints/the number of vehicles X100



HKEx ESG Reporting Guide - Content Index



Subject Areas, Aspects, General Disclosures and KPIs		Page/Comment
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	52-55
<i>KPI A1.1</i>	The types of emissions and respective emissions data.	
<i>KPI A1.2</i>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	109
<i>KPI A1.3</i>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	109
<i>KPI A1.4</i>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	109
<i>KPI A1.5</i>	Description of emissions target(s) set and steps taken to achieve them.	52-55
<i>KPI A1.6</i>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	52-55
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	47-50
<i>KPI A2.1</i>	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).	109
<i>KPI A2.2</i>	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	109
<i>KPI A2.3</i>	Description of energy use efficiency target(s) set and steps taken to achieve them.	47-49
<i>KPI A2.4</i>	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.	50-51
<i>KPI A2.5</i>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	109
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General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	52
<i>KPI A3.1</i>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	52, 56-59

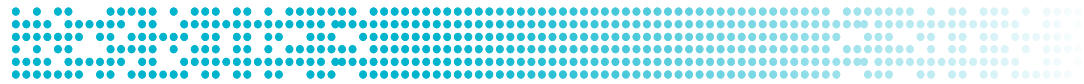
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<i>KPI A4.1</i>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	40-42
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General Disclosure	Information 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.	80
<i>KPI B1.1</i>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	110
<i>KPI B1.2</i>	Employee turnover rate by gender, age group and geographical region.	110
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	89-90
<i>KPI B2.1</i>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	94
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General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	86-88
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