

ZHEJIANG GEELY  
HOLDING GROUP  
CORPORATE SOCIAL RESPONSIBILITY REPORT

2016





# Contents

About the Report .....	1
30 Extraordinary and Eventful Years .....	3
Interconnection and Opening, an Amazing New Brand Released to the World.....	5
“JI SHI YU”, a Targeted Poverty Alleviation Program .....	7
Geely Overview .....	11
Group Profile .....	12
Construction of Corporate Culture .....	15
2016 Geely Big Events .....	18
Responsible Business Operations.....	19
Corporate Governance .....	20
Corporate Social Responsibility Management ..	22
Making Refined Cars for Everyone .....	27

Responsibility Focus.....	27
Intelligent Human-Vehicle Interaction, Security First .....	28
Quality Control from Inside-out.....	32
A Comprehensive Upgrade of Customer Experience.....	35
Showing Respect, Achieving Success and Creating Happiness .....	39
Responsibility Focus.....	39
Equal Opportunity to Bring Talents Together ..	40
Health and Safety Care .....	41
Continuous Learning and Growing Together.....	41
Enjoying Happy Work and Happy Life.....	43
Win-win Cooperation with Partners.....	47

Responsibility Focus.....	47
Suppliers Screening .....	48
Dealer Management.....	48
Promoting the Scientific Development of the Industry.....	50
Integrative Development with Environment.....	51
Responsibility Focus.....	51
Booming New Energy Vehicle Project .....	52
Success of Methanol Car .....	52
Recycling Economy, Turning Waste into Wealth ..	54
New Model of Car Sharing .....	55
Clean Production and Green Upgrade .....	56
Building a Harmonious Society.....	57
Responsibility Focus.....	57

Geely Public Welfare System .....	58
Hundred Years' Policy Based on Education.....	58
“Bloodhound”, Showing the Power of Science and Technology.....	60
Rio Olympic Reward Program .....	61
Caring for People's Livelihood by Public Actions ..	62
Performance Figures .....	65
Future Outlook.....	73
Honors and Social Evaluations .....	75
ESG&GRI Index.....	78
Reader Feedback .....	87

# About the Report

This report is the fifth consecutive corporate social responsibility report that Zhejiang Geely Holding Group issued since 2012. The report is published in both English and Chinese. In case of any divergence, the Chinese version shall prevail.



## Time Frame

This report covers the period from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2016 with selected historical information.

## Terms of Reference

For ease of reading, Zhejiang Geely Holding Group may be represented simply by “Geely” or “We/Us/Our”.

## Reporting Scope

Unless otherwise specified, all information and data presented in this report covers only Geely Automobile Group, which includes Geely Automobile Holdings Limited and its subsidiaries (stock code of Hong Kong Stock Exchange:175) but does not include Volvo Cars.

In the data index of this report, core data of Geely Automobile Group and Geely Automobile Holdings Limited and its subsidiaries is disclosed respectively.

## Report Content

This report primarily documents the corporate social responsibility philosophy and practice by Geely cars and the education ventures under Zhejiang Geely Holding Group in aspects of social responsibility management, corporate governance, quality control, customer assurance, talent cultivation, value chain management, environmental protection and public welfare.

## Reporting Guidelines

This report adheres to the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (G4) and the Stock Exchange of Hong Kong Limited's Environmental, Social and Governance Reporting Guide (appendix 27 to the Main Board Listing Rules, hereinafter referred to as ESG), and takes reference from The United Nations Global Compact and Social Responsibility Guideline ISO26000 issued by International Organization for Standardization.

In the data index of this report, G4 and ESG applies to Geely Automobile Group and Geely Automobile Holdings Limited, respectively.

## Compliance with Laws and Regulations

Zhejiang Geely Holding Group strictly obey the laws and regulations that exert great influence on Geely such as Environmental Protection Law of the People's Republic of China, Prevention and Control of Atmospheric Pollution Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Management Methods of Industrial Energy Conservation, Examination Methods of Clean Production, Labor Law of the People's Republic of China, Prevention and Control of Occupational Diseases Law of the People's Republic of China, Production Safety Law of the People's Republic of China, Management Methods of Production Safety Accident Contingency Plans, Regulations on Production Safety Incident Reporting and Investigation and Handling, Product Quality law the People's Republic of China, Implementation Measures of Management Regulations on Defective Automobile Product Recall, Assessment Guidance of Air Quality in Passenger Cars, Intelligent Manufacturing Development Plan (2016-2020) and United Nations Framework Convention on Climate Change.

As a company listed in SEHK, Geely Automobile Holdings Limited has compiled this report in accordance with the latest ESG Reporting requirements as active response and advanced preparation. As of December 31, 2016, Geely Automobile Holdings Limited has applied the principles and has complied with the code

provisions set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. (Please refer to ESG index for corresponding relations between ESG relevant data and report content)

## Data Source and Description

Data presented in this report are extracted from formal document and statistic reports generated by Zhejiang Geely Holding Group and Geely Automobile Holdings Limited, vetted and approved by their respective departments. Unless otherwise specified, statistics scope is limited to Geely Automobile Group.

## Guarantee of Reliability

Zhejiang Geely Holding Group and Geely Automobile Holdings Limited assure that this report does not contain any falsified content, misleading statements or other major omissions.

## Report Availability

The electronic version of this report can be downloaded at the official website of Zhejiang Geely Holding Group (<http://www.geely.com>) and Geely Automobile Holdings Limited (<http://www.geelyauto.com.hk/>).

“30 years ago, coinciding with the great historical opportunity of China’s reform and opening up, Geely came into being. 30 years later, coinciding with the successful close of the Sixth Plenary Session of the Eighteenth Communist Party of China Central Committee, the supply-side structural reform brought Geely a new historical opportunity.”

——Li Shufu, Chairman of Zhejiang Geely Holding Group



## 30 Extraordinary and Eventful Years

In 1986, Geely was born in a remote small village in Luqiao District of Taizhou in Zhejiang. With our own glories and dreams, Geely started from scratch and developed from a small company to a large group, walking steadily forward, keeping exploring the unknown future. Following the principle of coming from the market and going to the market, we have been focusing on the industry, sticking to self-innovation and talent cultivation, adhering to the philosophy of “customer needs oriented” in the past 30 years, marching towards the goal of becoming an international automobile group in a down-to-earth manner.

Since 30 years ago when Geely was established and 20 years

ago when we started manufacturing automobiles, some milestone events have taken place: In the strategic transformation in 2007, we abandoned the mode of competition based on costs and prices, and laid emphasis on the improvement of technology and quality; In 2010, Geely merged and acquired Volvo, to become a transnational automobile group worthy of the name; In 2014, Geely presented the brand mission of “Making Refined cars for Everyone”, and successively launched premium automobiles for the 3.0 era such as GC9, Boyue, Emgrand GS and Emgrand GL. The strategic deployments have comprehensively improved the systematic competitiveness of Geely and significantly increased the sales of the brands.

The world automobile industry is entering a phase of rapid change and still facing a challenging future. Against the background of the national strategy *Made in China 2025*, we stay true to our mission and carry out the supply-side structural reform,

Considering the unique brand orientations of Volvo and London Taxi, Geely launched two new brands of LYNK&CO and new-energy commercial vehicle Yuancheng, to pursue close cooperation and integrated development with all stakeholders. Thus, our corporate culture also becomes more diversified, supporting us to stand out from the fierce market competition.

With confidence in the technology and products of Geely and pushing forward the layout of globalization, we released the “20200 Strategy” in 2016—to fulfill the goal of manufacturing and selling 2 million automobiles annually, rank top 10 of global automobile enterprises, and become the most competitive and respectable Chinese automobile brand by 2020. We will continuously deepen the premium product strategy in the procedures of product planning, technology research and development, modeling design, manufacturing, marketing services and brand building, carry out all tasks in compliance with laws and regulations, take the initiative

to shoulder social responsibilities, and work together to make the dream blueprint of Geely come true.

Idle boast the strong pass is a wall of iron, with firm strides we are crossing its summit. We are grateful to the great era, which gives us unprecedented opportunities and provides a fulcrum for our dream. Everyone in Geely is an outstanding dream maker, whose companionship and persistence make us march forward more firmly and forcefully. In the end, let us encourage one another with a thousand-year-old saying, “Without the accumulation of little steps, we will have no way to go a thousand miles. Without the accumulation of small streams, there will not be rivers or oceans.”

李书福

# Interconnection and Opening, an Amazing New Brand Released to the World

*The world doesn't need another car brand, but must need a new understanding of cars.*

—Alain Visser, Senior Vice President of LYNK & CO

In the past 130 years, the business mode of automobile manufacturing around the world has almost never changed, but user behavior has become dramatically different. The new user groups not only need automobiles, but also lay emphasis on user experience and additional services that automobiles can provide. Only by fusing automobile manufacturing with interconnection, user experience and the sharing economy can we provide users with products and services that conform to the characteristics of the era, as well as boast unique competitiveness.

On October 20, 2016, Geely launched a new automobile brand LYNK & CO in Berlin of Germany. LYNK means the integration of Eastern and Western advantages in cultures and the automobile industry, to build a brand new mode of connection among people, scenarios and experience. The 'CO' stands for collaboration, for connected and for cool, as well as infinite possibility. In the meantime, the Chinese name of LYNK & CO brand is "领克", "领" means taking the lead of our time with the open thinking, fashion design and cutting-edge technologies; "克" means change and breakthrough, that is connecting people, cars and the world by innovations and technologies and constantly changing the way of travel. The brand name shows our confidence and expectations of future automotive products, as well as the attitude to life of

breaking through ourselves and challenging all the practices. Different from traditional automobile brands, LYNK & CO which advocates personality, interconnection and opening is an open and constantly developing platform jointly created by the people who are willing to express themselves, integrate into the world and explore the unknown and serving them. With the advanced idea of modular development, distinctive design language, the innovative technology of seamless interconnection and a brand new business mode, we redefine transport and create the most intelligent transport platform, injecting new vitality into the automobile industry.

## Born Global

LYNK & CO was established based on the all-new Compact Modular Architecture (CMA) jointly developed by Geely and Volvo for medium-grade automobiles, which was a result of the continuously deepened cooperation between Geely Automobile and Volvo. The CMA was developed over three years by more than two thousand top engineers from over 20 countries around the world, which is highly flexible and extensible is applicable to various body shapes and dimensions, and it is compatible with traditional power, pure electric and hybrid power systems. The team of China



Euro Vehicle Technology AB, CEVT, located in Gothenburg of Sweden and inspired by the changing pace and scenes of life in modern cities, created a new design concept - "urban opposition aesthetics" and built the unique design language for LYNK & CO. The future products of LYNK & CO will possess extremely advanced body structure and an ideal way of weight distribution, meeting the highest crash standards of China, Europe and the USA. Equipped with Automatic Emergency Braking system(AEB), pedestrian identification system, Adaptive Cruise Control (ACC) with queuing function, Front Collision Warning system (FCW), blind spot monitoring system, Rear Cross Traffic Alert (RCTA), Lane Keeping Assist system (LKA), intelligent high/low beam light control, identification of traffic speed limit signs, 360 ° panoramic parking images and many other active safety configurations and intelligent driving technologies, the products will not only make driving safe, but also guarantee the realization of the future automatic driving.

## Seamless Interconnection

Internet technology has reshaped our world and life, making no exception for the automobile industry. All the models and details of LYNK & CO will be fused with the Internet gene, seamlessly connected to the cloud and big data, to realize the driving or control of automobiles through the Internet. LYNK & CO also has its own APP Store, making LYNK & CO an automobile with an intelligent touch-screen and cloud connection, as well as an open Internet platform, thus starting a new chapter of the automobile industry in the field of Internet technology innovation. We are looking forward to exploring the unknown with users, continuously making

adjustments and improvements.

To book repair and maintenance services, check schedules or find other information, you just need to gently click or use voice control. Its advanced intelligent interconnected vehicle-mounted information system can realize the seamless connection among people, the automobile and the world, changing the traditional concept that automobiles are just a means of transportation. It is more like a real intelligent personal assistant, creating an infinite imagination space for users and the industry.

## Radical Thinking outside the Automobile

LYNK & CO is the first car brand to achieve car sharing technology. We try, purchase, own, maintain and share an automobile from a brand new perspective. The unique digital key of LYNK & CO not only protects automobiles as a part of the safety system, but also provides all-new technological support for automobile sharing and leasing. LYNK & CO is not only an automobile, but also an application platform representing the creativity, a service club, and a key to the city.

It is unnecessary for users to "truly" own automobiles. In addition to the option of buying one, they can also choose long-term leasing or leasing according to their needs. Meanwhile, LYNK & CO can also be used as a mobile shared mail room. At any time and any place, they can use the digital key to open the door and receive ordered commodities or services. We hope to pass down the spirit of sharing through automobiles, to fully carry forward the art and culture of the century-old automobile industry.

# “JI SHI YU”, a Targeted Poverty Alleviation Program

“Taking targeted measures to help people lift themselves out of poverty” is an important decision and deployment made by the CPC Central Committee for winning the tough battle of alleviating poverty and ensuring the fulfillment of the goal to complete the building of a moderately prosperous society in all respects. After solving the problems of “who needs help” and “who should help”, “how to help” becomes an even bigger difficulty for targeted poverty alleviation. Working actively in exploration and practice, we launched the targeted poverty alleviation program “JI SHI YU” in March 2016, engaging to create Geely’s model of targeted poverty alleviation for enterprises.

## Thorough Investigation, Targeted Implementation

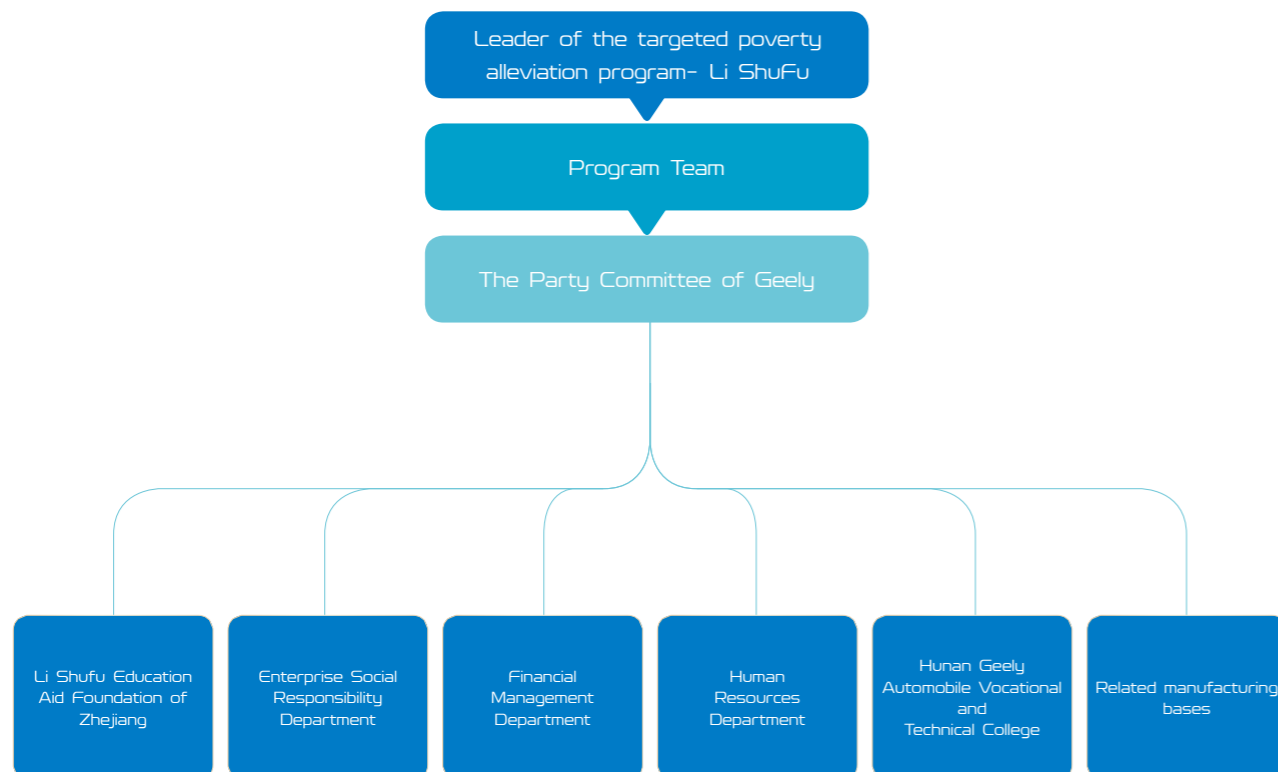
To steadily push forward the targeted poverty alleviation program “JI SHI YU”, president Li Shufu, take the command in person; the Party committee is responsible for concrete implementation, with subordinate teams for pushing forward and implementing the program respectively; an enterprise social responsibility department has also been established as a member of the team for implementation to make every effort to promote the program.

In order to make the program more targeted, we spent 15

*An enterprise without a sense of social responsibility will always be abandoned ruthlessly by the market in the end, and it is impossible for such enterprises to realize sustainable operation.*

—Li Shufu, Chairman of Zhejiang Geely Holding Group

## The organizational structure of the targeted poverty alleviation program “JI SHI YU”



days in investigating places such as Zhangjiakou, Guiyang, Baoji and Chengdu, Nanchong and Ya’an of Sichuan. Working collaboratively with local governments, we shared resources and determined the program orientation and concrete implementation plans. Afterwards, we came into close contact with the education departments and poverty alleviation departments of different places, to learn about their practical demands for targeted poverty alleviation. Moreover, we visited households accepting targeted poverty alleviation, to determine the final name list of people given financial aid and relevant measures.

## Combination of “Blood Transfusion” and “Hemopoiesis”

“Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.” Targeted poverty alleviation not only requires proper “blood transfusion”, but also needs help in “hemopoiesis”, to stimulate the endogenous power of impoverished areas. We mainly focus on and make targeted efforts in the poverty alleviation based on industrial development, educational support, employment support and special agricultural products. In 2016, we invested RMB 17.2009 million in providing direct assistance for 3,190 persons and helping 551 persons to find jobs and get rid of poverty.



Promotion Ideas	Rely on the construction of Geely’s bases, to drive local economic development and solve the issue of employment	Provide financial aid for students of vocational colleges and universities to complete their studies	*Cooperate with local vocational and technical colleges, to open “Geely Classes”	Considering the needs of key villages accepting help, provide equipment and facilities, and selectively purchase agricultural and sideline products
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Achievements in 2016	*Steadily pushed forward the construction of new bases in Zhangjiakou, Baoji, Guiyang and Nanchong and so on, and the base in Baoji was officially put into operation in September 2016	*Provided financial aid of RMB 12.7601 million for 2,639 impoverished students in total, including 1,162 vocational college students and 76 primary school students	*The bases in Baoji, Zhangjiakou, Guiyang, Nanchong and Jinzhong etc. employed 133 persons from households accepting targeted poverty alleviation	Invested more than RMB 0.6 million accumulatively in purchasing special local agricultural and sideline products such as fruit, vegetables, meat and eggs etc. from the impoverished villages near the bases in Zhangjiakou, Baoji and Ya’an
	*Introduced supporting enterprises providing automobile parts and logistics services	*Gave financial aid of RMB 0.5 million to Fengshuling Town of Chun’an County in Zhejiang, which was used to build facilities for the local primary school	*Worked collaboratively with 27 vocational and technical colleges to establish Geely classes, and invested RMB 1.67 million in purchasing teaching facilities and improving teaching schemes and faculty	
			*Donated RMB 0.66 million to Ya’an of Sichuan, to help 180 handicapped persons realize flexible employment at home, increasing their annual incomes by over RMB 0.27 million in total	
			*Invested RMB 1 million to Nanchong of Sichuan in establishing a farming cooperative, which could help at least 238 persons get rid of poverty	

Responsibility Practice

Spreading Hope in Ya'an

On 28<sup>th</sup> November, 2016, “JISHI YU” targeted poverty alleviation project was started up in Ya'an, Sichuan to spread dream and hope. We brought 575 sets of winter clothes and winter shoes, 344 sets of school bags and stationery, and 76 sets of breakfast and dinner allowance (for 76 boarding students) for more than 500 students from mountain areas in central primary schools in Minjian Yi Ethnic Township and Baofeng Yi Ethnic Township in Ya'an City. Wearing warm winter clothes and holding fine school supplies, the children's faces were covered with smiles, and they said: they would cherish this hard-won good time, and repay the love with practical action and excellent academic performance.

On account of the situation of Ya'an, for education poverty alleviation, in addition to donating winter clothes and stationery, we also provided tuition assistance for 53 document tent card undergraduates; for employment poverty alleviation, we plan to invest RMB 0.66 million annually to support the home-based employment program for disabled people in Ya'an which can help 240 households achieve poverty alleviation at least; for poverty alleviation of agricultural and sideline products, we purchased the agricultural products left by the elderly in the mountains, so that the elderly in deep mountains can feel the care of Geely.

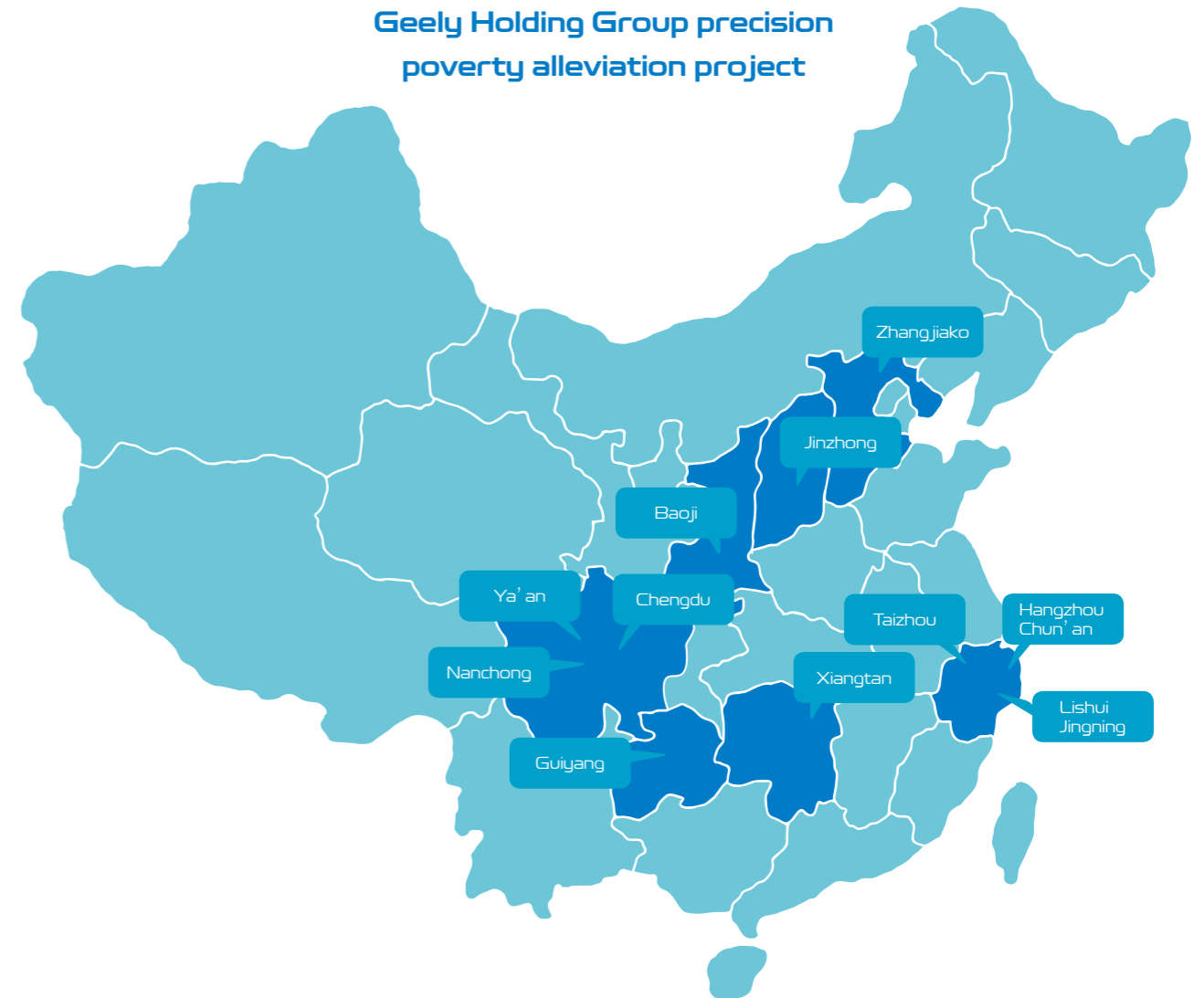


Mid-and-long Term Goal of Targeted Poverty Alleviation

“The 13th Five-Year Plan” is not only the decisive push to build an all-round moderately prosperous society, but also the sprint period to achieve poverty alleviation. In the new historical development stage, Geely plans to invest 3-5 years and RMB 0.4-0.6 billion, closely focuses on poverty families, with the working mechanism of “led by the group, sponsored by the base, coordinated by the partner and participated by all employees”, and the measures of “poverty alleviation by industry, poverty alleviation by education,

poverty alleviation by employment, and poverty alleviation by agricultural products” etc. to provide targeted help to more than 12,000 poor families from 11 places of 7 provinces, including Zhangjiakou, Hebei; Baoji, Shaanxi; Guiyang, Guizhou; Jinzhong, Shanxi; Xiangtan, Hunan; Chengdu, Nanchong, and Ya'an of Sichuan; Chun'an, Taizhou and Jingning She Autonomous County of Zhejiang. We will earnestly study and implement the new spirit and new requirements of the central poverty alleviation work, and strive for a pragmatic style, plan targeted poverty alleviation based on the actual situation, and constantly explore new ways to promote targeted poverty alleviation.

Geely Holding Group precision poverty alleviation project



Four poverty alleviation projects

- Poverty alleviation by education,
- Poverty alleviation by employment,
- Poverty alleviation by industry,
- Poverty alleviation by specialties.

Poverty alleviation capital planning

Invest RMB0.4-0.6 billion in next 3-5years

Supporting areas

Zhangjakou, Hebei; Baoji, Shaanxi; Guiyang, Guizhou; Jinzhong, Shanxi; Xiangtan, Hunan; Chengdu, Nanchong, and Ya'an of Sichuan; Chun'an, Taizhou and Jingning of Zhejiang

Supporting target

12,000 poor families out of poverty

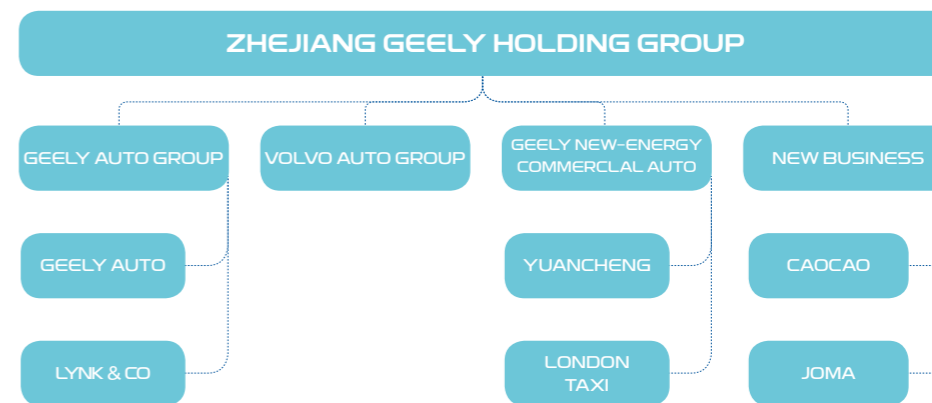
# Geely Overview

For 5 consecutive years Geely has been a Fortune 500 company, for 14 consecutive years Geely has stepped into the top 500 enterprises of China.

In 2016, total volume of sales of Geely cars reached to 766 thousand units, with year-on-year growth of 50%.

In 2016, volume of sales of Geely new-energy vehicles reached to 17 thousand units<sup>1</sup>.

In 2016, total operating income of Zhejiang Geely Holding Group was RMB 208.799 billion.



## Group Profile

Founded in 1986, Zhejiang Geely Holding Group entered the automotive industry in 1997. After 30 years of development, Geely has always focused on technological innovation and talents cultivation. It provides consumers with high-quality products and services, at the same time, responds positively to the central government appeal to carry out social welfare undertakings like "Targeted Poverty Alleviation". Geely is committed to promoting the sustainable development of the whole society.

In 2016, the total operating income of Zhejiang Geely Holding Group was RMB 208.799 billion, for 5 consecutive years it has been a Fortune 500 company and for 14 consecutive years it has stepped into the top 500 enterprises of China. Geely is China's top ten enterprises in auto industry, national "Innovative Enterprise" and "National Automobile Export-oriented Enterprise".

### 1. Products and services

Headquartered in Hangzhou, Zhejiang Geely Holding Group owns Geely Automobile, Volvo Automobile, London taxis, YUANCHENG commercial vehicles and other brands. Among them, Geely Automobile has built vehicle and powertrain manufacturing base in Taizhou and Ningbo, Zhejiang Province, Xiangtan, Hunan Province, Jinan, Shandong Province and Chengdu, Sichuan Province and so on. To build a globally competitive automotive infrastructure, Geely Automobile Group has established a research center in Hangzhou, Zhejiang Province, and set up design centers in Shanghai, Gothenburg, Barcelona and California, and founded CEVT in Gothenburg, Sweden.

At present, to meet users' different types of needs, Geely Automobile has a dozen of full car products such as Emgrand EC7, GC9, Bo Yue, Emgrand GL, Emgrand GS, Emgrand EV, Vision, King Kong and others on sale and 1.0-3.5L full series of engines and corresponding manual/automatic transmission. 2016 is not only the first year of Geely automobile SUV strategic development, but also a key year of moving towards to 3.0 era of refined car. Moreover, Geely Automobile has spurred with long accumulation in 2016. This year, Geely automobile have launched Bo Yue, Emgrand GS and Emgrand GL in succession. These three popular and new models, coupled with the Borui which was previously launched, Geely 3.0 time products have formed a perfect product matrix, covering the main market segments including B-class Cars, A + class cars, SUV and crossover SUV. Geely Automobile Group has established a sound marketing network in China, with more than 750 4S shops and nearly

a thousand service outlets. Nearly 200 sales service outlets have been set up oversea. Geely has invested tens of millions of dollars to establish a first-class call center to provide fast and all-day service for users. In 2016, total volume of sales of Geely cars reached to 766 thousand units, with year-on-year growth of 50%. Volume of sales of Geely's new-energy vehicles was 17 thousand units, the cumulative social ownership of Geely vehicles is nearly RMB 5 million. Geely's trademark was identified as China's well-known trademarks.

### 2. Technology and talent

Geely Automobile Group has passed the certifications of ISO 9001 quality management system, TS 16949: 2009 quality management system, ISO / IEC 27001: 2005 information security management system, ISO 14001: 2004 environmental management system, OHSAS 18001: 2011 occupational health and safety management system, GB/T 23331-2012 energy management system, 3C and environmental labeling product. In order to meet the needs of the international market, we carried out the international certification work of Gulf GCC, the European Union EEC & ECE, Australia ADR, and so on.

Geely Panda, Emgrand EC7, Geely GX7, Geely Haoqing SUV, Geely GC9, Geely Boyue and others have successively obtained C-NCAP five-star safety evaluation. Self-developed 1.3T turbocharged engine and 1.8TD turbo direct injection engine was rated as the "China Heart" annual top ten engines. At present, the number of Geely's patent applications and licenses exceeds 13,800 and 7,200 respectively. Among these patents, there are more than 2,600 and 1,400 of patent applications and licenses for invention respectively. Geely has been listed as "Chinese top ten brands of enterprises independent innovation of intellectual property right", and awarded as national "Enterprise Technology Center" and "High-Tech Enterprises."

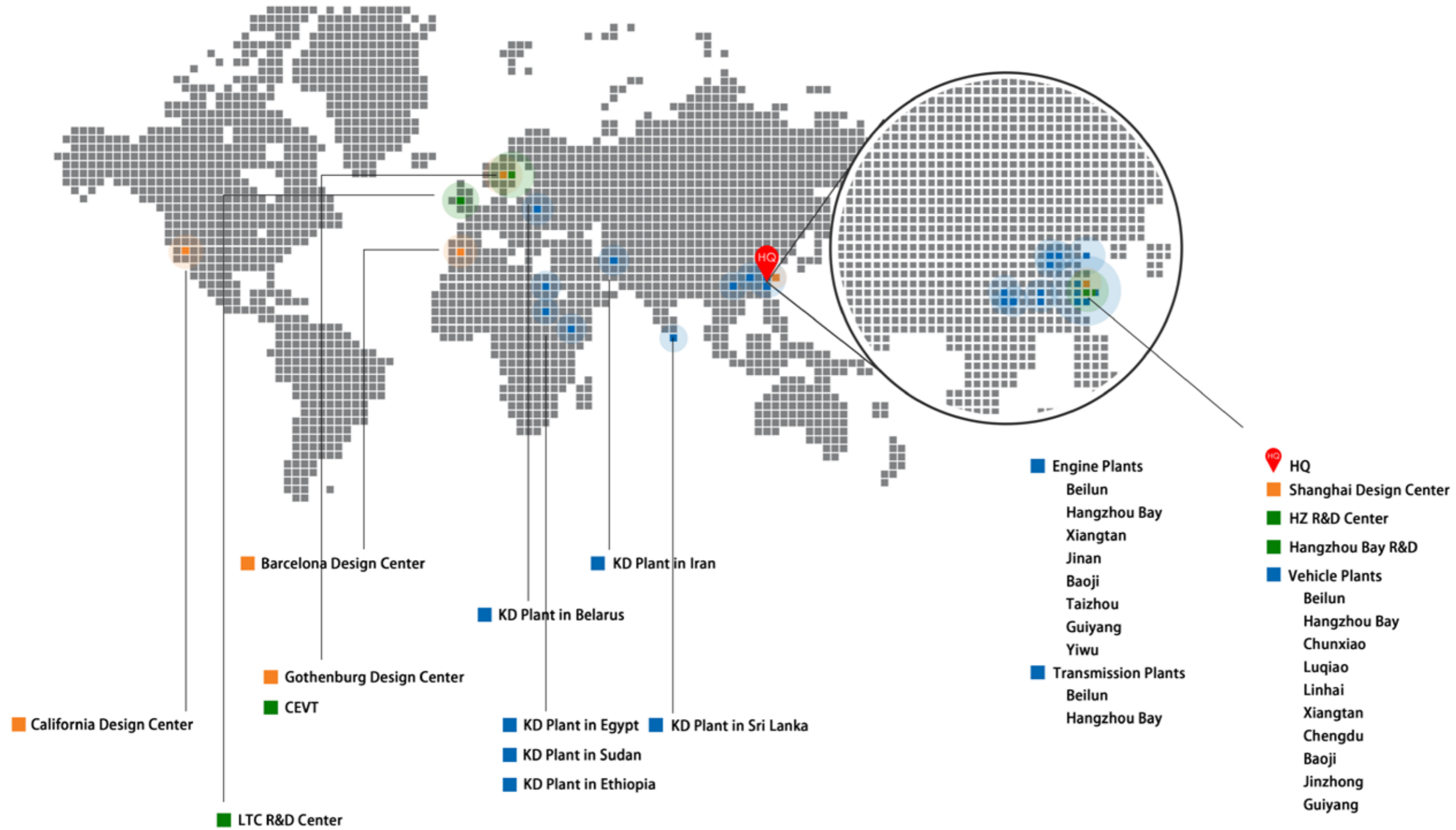
Geely Automobile Group now has existing 29,344<sup>2</sup> employees, including 7,600 engineering and technical personnel. There are 3 academician, hundreds of foreign experts, more than 100 doctors and 1,400 masters in the book and hundreds of senior engineers and researcher-level senior engineers. 10 people has been selected as national "Program of Global Experts", which makes Geely become the private enterprises that owns most "Global Experts" talents.

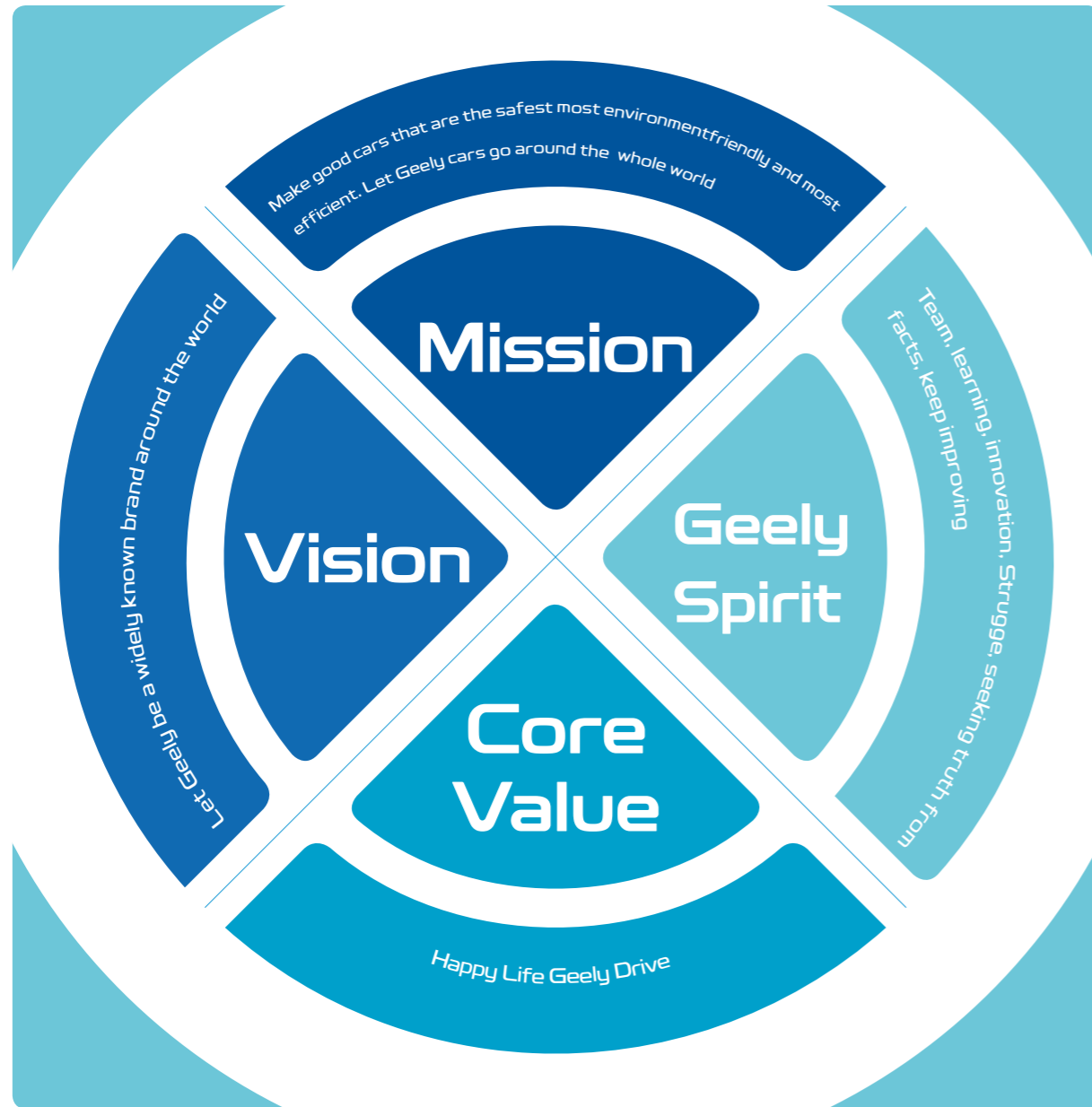
<sup>1</sup> Contains only Geely Emgrand EV

<sup>2</sup> The average number of people of Geely Automobile Group in 2016



# GEELY | Distribution of Global Business





### The core elements of the culture of Geely Strivers

<p>Always responsible for the brand, always satisfy customers</p> <p><b>User first</b></p>	<p>Full of passion for the career in Geely, full of sense of responsibility and mission to Geely's development</p> <p><b>Full of passion</b></p>	<p>With the entrepreneurial spirit of turning "impossible" into "possible" find a way to succeed instead of finding an excuse fir</p> <p><b>Self challenge</b></p>	<p>Identify problem solving as a chance to improvement of organizational performance, focus on results, persistently improve, enhance</p> <p><b>Performance-oriented</b></p>
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### Responsibility Practice

#### Run, Geely!

In its 30<sup>th</sup> birthday, Geely chose a special way to celebrate—30km Relay Run. From youth to mature and stable period, the 30-year growth of Geely cannot be separated from the hard work of all Geely employees. The automobile industry itself is an endless marathon race, and continuous running is a belief, which inherits optimism and upward spirit, more importantly, highlights the "struggler" culture.

In October 2016, Geely "30km Relay Run" was started in Hangzhou, Ningbo, etc. in succession and nearly 1,500 Geely employees participated in the activity. Painted smiley

face, red sportswear, colorful flags recording milestones of Geely's development, cute mascot and hot aerobics constituted a picture full of vitality and laughter. Changing shapes, striving pose, and loud and clear slogans fully carried forward the quality of unity, cooperation, and mutual help of Geely.

The 30km race was completed by national Geely employees with the average time of 2 hours and 36 minutes. That is Geely speed! In the future, upholding the "struggler" culture, Geely will not stop the pace of running, and will eliminate all difficulties to promote China's automobile industry.



### Construction of Corporate Culture

From the beginning of building cars, Geely had already put forward the corporate mission, vision, the core value and so on. With continuous practices and adjustments, a mature and complete, fully informed cultural concept system that coheres consensus has been formed. Geely adhere to the idea of people-oriented and building a harmonious labor relation. On the inside of Geely, we care for the staff and have built a harmonious enterprise; on the outside, we are committed to give back to the community and create a respectable enterprise with a sense of social responsibility. We have constructed the "The Fundamental Driving Force" cultural system, which is an important foundation for the enterprise operation and management and harmonious labor relationship in Geely. With the construction of "Employee Proposal", "Problem Culture" and "Happy Operation

Entity", we have promoted the Geely culture rooted. In 2015, Geely proposed the theme of corporate culture - "Strivers First", which suits to its own development. This theme has guided the staff to integrate the values and goals of their own with values and goals of organization. We put the corporate culture into the strategic level of Geely's development. By the construction of culture, employees don't think they are just making livings any more, but strivers who have goals of life and are willing to make contributions to users' happiness and industry development. Geely defined "strivers" as a person who is "user-centered and results-oriented, and pursuits of excellence, continues to create value and becomes respectable." In 2016, Geely has taken a series of actions to search for Geely striver and promote the striver culture. Such as the compilation of "Strivers First" bulletin, Geely strivers story collection and release and "Strivers First" speech contest, etc.

## Responsibility Practice

### Set A Small Target, What If It Came True?

Management is sometimes like a game, and the enterprise provides a platform for the game, where the employees are players. Game script setting, aiming at better achieving employees' personal value and pursuit, is the key to attract players, and also the art of management. The key word of Geely game is "happy operation", namely, to strive for the big goals of enterprise through the realization of small enterprise goals.

In 2016, Geely Sales Company achieved full coverage of operational entities, including sales, marketing and support. Sales Company held a monthly meeting to optimize the management system. Among them, the market operational entities aim at

marketing planning, enhancing brand influence and promote sales. The operational entities of our Marketing Department II carried out marketing campaign according to circumstances. It has made remarkable contribution to marketing Geely refined vehicles of era 3.0 (namely, the third generation of Geely premium vehicles)—Boyue SUV by coordinating departments of public relations, media, products, training, etc. It planned "I will buy Boyue", "Chief Experience Officer Presale", initiated purchase tax subsidy model. Those innovative marketing methods won a large number of orders, and some orders were even arranged five months later. In 2016, Geely SUV sales accounted for 22.7% of the total car sales, a year-on-year increase of 190%, initially completing the strategic objective of "dual-progress" of car and SUV.



## 2016 Geely Big Events

January 1 <sup>st</sup> Geely brand new King Kong was launched in domestic market	January 11 <sup>st</sup> Geely GC9 was launched in Saudi and Gulf regions
February 23 <sup>rd</sup> The first batch of six methanol cars were unveiled in Reykjavik, the capital of Iceland	February 23 <sup>rd</sup> Geely began comprehensive cooperation with Ericsson in the field of Car Networking
February 28 <sup>th</sup> The industrialization project, carried out by Geely and Corun together, with an annual output of 1 million sets of hybrid powertrain started its first phase	March 24 <sup>th</sup> Geely London Taxi signed a 10-year development plan in Australia to invest 44 million in more than 1,000 British taxis in Australia and New Zealand.
March 26 <sup>th</sup> Geely Boyue SUV was launched	April 8 <sup>th</sup> Geely Emgrand EV was launched in Beijing
April 25 <sup>th</sup> - May 4 <sup>th</sup> Geely participated the 14th Beijing International Automobile Exhibition with GC9, Boyue, Emgrand GS, Emgrand EV and the new Emgrand methanol vehicle. Geely Auto officially entered the "3.0 Era of Refined Car"	May 4 <sup>th</sup> Geely Emgrand GS launched "360° panoramic VR conference" by virtual reality technology
June 23 <sup>rd</sup> "Geely Emgrand EV foreign affairs limousine car delivery ceremony" held in Beijing Diaoyutai	June 28 <sup>th</sup> 30 Geely Vision SUVs were officially launched as the Gansu area medical patrol special car
July 18 <sup>th</sup> 330 Geely cars were delivered as the designated car of Hangzhou G20 summit in the areas like reception, security and so on	July 19 <sup>th</sup> Guiyang municipal government published annual big data of Geely methanol taxi, and once again purchased 113 methanol taxi. Guiyang methanol taxi ownership reaches to 329
July 20 <sup>th</sup> Geely ranked No. 410 in Fortune 500, the rank moved up 67 places than 2015	August 5 <sup>th</sup> Geely Emgrand GL was simulated in public of "Crossroads Devil Crash"
August 31 <sup>st</sup> Geely and National Grid have achieved strategic cooperation to explore new travel models of new energy vehicles	September 1 <sup>st</sup> Geely held executives meeting of debriefing in Jingtangshan
September 2 <sup>nd</sup> Geely Boyue was evaluated as five-star safety by the C-NCAP with 58.2 points, refresh the SUV model safety collision record	September 20 <sup>th</sup> The launch conference of Geely Emgrand GL was held in Hangzhou
September 26 <sup>th</sup> UK "Bloodhound" supersonic car project carried out a three-year cooperation with Geely. For the first time Chinese brand participated in the world land speed challenge	September 27 <sup>th</sup> Geely was invited to attend the first China Poverty Alleviation Forum and was awarded the "China Poverty Alleviation Enterprise Contribution Award"
October 12 <sup>nd</sup> The third Xuanyuan Award winner Geely GC9 entered the Beijing Automobile Museum	October 20 <sup>th</sup> Geely released a new brand LYNK & CO in Berlin, Germany
October 26 <sup>th</sup> The new energy commercial vehicle brand of Geely - Yuancheng and new products were launched	November 5 <sup>th</sup> Geely officially released "Geely Automobile 2020 Strategy" in the Geely 30th anniversary of establishment celebration party
November 18 <sup>th</sup> Cuban government purchased 675 Geely cars. Geely GC9 hit the Americas market for the first time	November 25 <sup>th</sup> -26 <sup>th</sup> Geely undertook the 13th International Academic Conference on Automotive Traffic Safety
November 28 <sup>th</sup> "JI SHI YU" targeted poverty alleviation project spread the seeds of dream and hope to Ya'an, Sichuan	December 8 <sup>th</sup> An employee named Lv Yicong from Geely was elected as the new temporary Zhejiang Province Youth League committee
By the end of December 31 <sup>st</sup> The sales amount of Geely cars has reached to 766 thousand units in 2016, with a year-on-year growth rate of 50%	

# Responsible Business Operations

The sustainable development of enterprises need comply with the basic laws and regulations, and also need fulfill the enterprise standards of ethics beyond the scope of the laws and regulations. Geely regards corporate governance as one of the most important business issues, constantly optimizes the governance structure, and improves compliance management mechanism and risk control system. We formulate the social responsibility strategy and integrate it with the company operation practice, steadily improve operation efficiency and management level, gradually win the trust of all stakeholders, and lay a solid foundation for the goal of being a respected global integrated enterprise.



## Corporate Governance

### 1. Governance structure

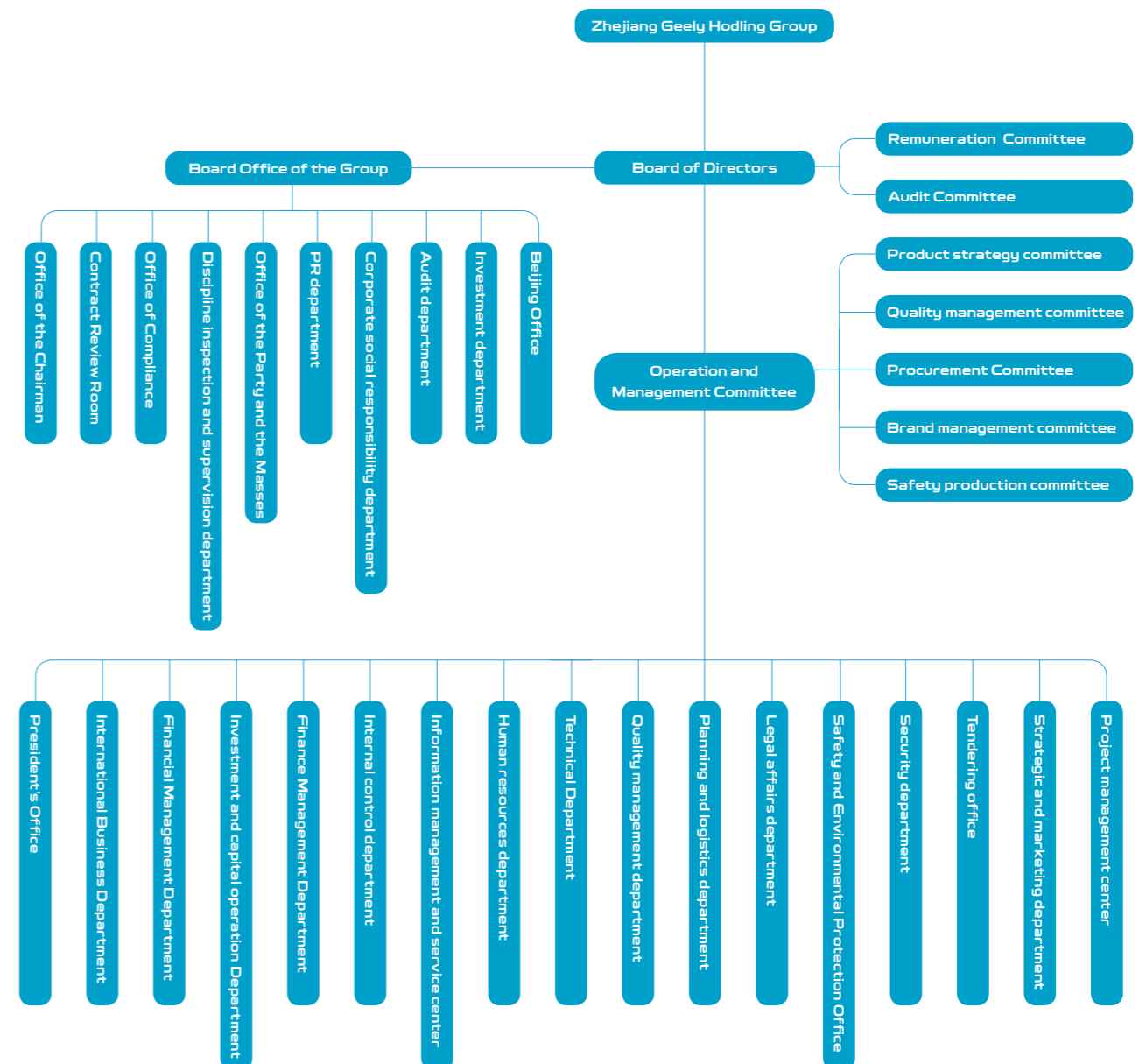
On the basis of a sound corporate governance structure, Geely establishes the board of directors, operation and management committee and various functional departments, and whose responsibilities and authority are clarified.

At present the board of directors of Geely sets up the office board bureau of the group, which has under its command 10 departments including the office of the chairman, the discipline inspection and supervision department, the office of the party and the masses, PR department, the corporate social

responsibility department, audit department and investment department etc. In addition, the board of directors separately sets up two specialized committees including the remuneration committee and the audit committee.

As a management office of Geely, the group operation and management committee sets up five specialized committees including the product strategy committee, the quality management committee, the procurement committee, the brand management committee and the safety production committee. Under the overall coordination of every operation and management committee, 17 functional departments set up by the group carry out the routine management.

## Organization Chart of Zhejiang Geely Holding Group



## 2. Compliance management and risk control

With the continuous improvement of laws and strengthening of the industry regulation, our government and the public have put forward higher requirements for enterprise compliance management. In 2016, Geely carried out a series of new attempts of compliance work and achieved remarkable results. To improve the compliance organization structure, Geely sets up the chief compliance officer to take charge of the compliance management of the whole group, the chief compliance officer is directly responsible for the board and compliance committee. The compliance office shall organize and implement the compliance system and report to the chief compliance officer regularly. At the same time, we set up compliance management post in the group business unit such as the legal affairs department, the internal audit department, the discipline inspection and supervision department and the internal control departments as well as each branch (sub) companies in order to further clarify the compliance management staff responsibilities of various business units, and ensure the effective communication of group compliance management information as well as the effective implementation of compliance management system. In 2016, the amount of compliance training times held by the compliance management office is 27348 staffs. To complete the compliance system, we have issued the

administrative regulations such as "Honesty and Self-discipline Code and Punishment Rules of Zhejiang Geely Holding Group". The whole staff signed "The probity and self-discipline commitment letter", we bring the anti-corruption propaganda and education into the annual training plan of each unit and deploy the annual work plan.

To increase the honesty and self-discipline constraints with business partners, we released "2016 Geely Holding Group Bidding Management Measures", which requires all partners sign simultaneously "Integrity Management and Self-discipline Agreement" during the contract signing. The measure clears self-discipline responsibilities, obligations and illegal disposal methods for two parties. Currently 246 cooperative companies and organizations are willing to create a simple and honest partnership together with us, and to adopt a zero-tolerance policy for commercial corruption.

The multi-sector linkage risk management system of the internal control department, the legal affairs department, the quality management department and the internal audit department has been established. We actively carry out the risk assessment of various business modules including sales, research and development, engineering and overseas market, draw up the group risk control map, and timely put forward reasonable suggestions to prevent and deal with the risks.

## Responsibility Practice



### Senior executives debriefing meeting in red Jinggangshan

In order to assess Geely executives' performance of "One Position with Two Responsibilities", the responsibility implementation of the honest and clean government construction, we held the senior executives debriefing meeting in Jinggangshan, the sacred place of the revolution on 1<sup>st</sup> September, 2016. The group carried out the "Studies on the theoretical and practical issues of party building" as well as the debriefing of the management cadres to ensure to promote our auto industry to form stronger global competitiveness under the condition that the direction of Geely's development does not deviate from the track.

In the meeting, Group executives conducted the debriefing report from four fields including the running and construction of the leading group, the performance of responsibilities and completion of tasks, honesty and self-discipline as well as the party building, and problems in work. Through self-education, self-reflection and self-sublimation, we sum up the experience, find gaps and put forward new ideas and measures. In the future, we will continue to promote the executives debriefing meeting to develop the force of setting goals, discovering problems, promoting the work and inspecting results, in order to promote the full realization of 20200 strategies of the group.

## 3. Economic performance

Unit: 100 million RMB

Index \ Year	2014	2015	2016
Total assets	372.80	422.92	675.83
Total operating income	217.38	301.38	537.22
Corporate income tax	4.94	5.86	10.34
Net profit	14.49	22.89	51.70

Note: Each economic indicator only refers to Geely Automobile Holdings Limited

## Corporate Social Responsibility Management

### 1. Social responsibility concepts and models

Our social responsibility management based on Geely's mission - "Make good cars that are the safest, most environment-friendly and most efficient". We devoted ourselves to the areas of product, economy, environment and society, connected the world by the carrier of vehicles, opened a beautiful car life and contributed to the sustainable development of society with practical actions.



Product



Keep promoting technological innovation, provide customers with healthy, safe, energy saving and environmentally friendly quality goods and win the trust and reputation by convenient and efficient customer service



Economy



Operate in accordance with the law and business ethics, create values for shareholders



Environment



Keep promoting green operation, improve lifecycle resource use efficiency, carry out energy saving and emission reductions activities, control environmental risks, and reduce the environment



Society



Ensure the health and safety of employees, care for staff and provide a broad space for growth; promote the value chain to win-win cooperation, contribute to the development of the industry; carry out targeted poverty alleviation, pay attention to education, contribute to a harmonious society

## Corporate Social Responsibility Model of Zhejiang Geely Holding Group

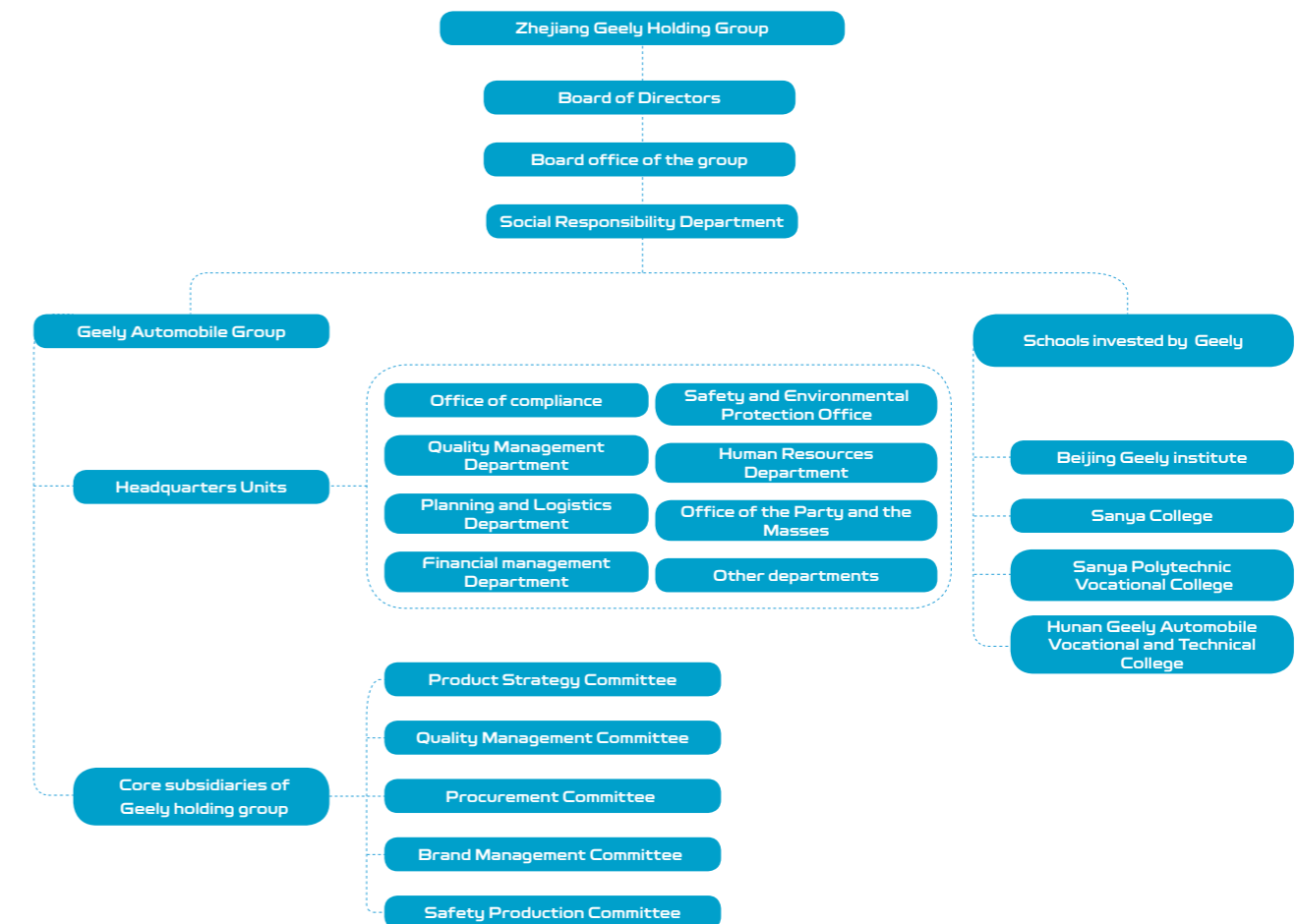


## 2. Social responsibility management structure

Social responsibility management is an important management dimension in the process of production and operation of Geely. The Corporate Social Responsibility Department, which is under Board office of the group, undertakes the business of corporate social responsibility and sustainable development of the Group.

Functional departments like Office of Compliance, Quality Management Department, Safety and Environmental Protection Office, Planning and Logistics Department, Human Resources Department, Office of the Party and the Masses, etc. as well as core subsidiaries like Geely Automobile Research Institute, sales companies and procurement companies are responsible to implement the Group's social responsibility policies and measures.

## Corporate Social Responsibility Management Framework of Zhejiang Geely Holding Group

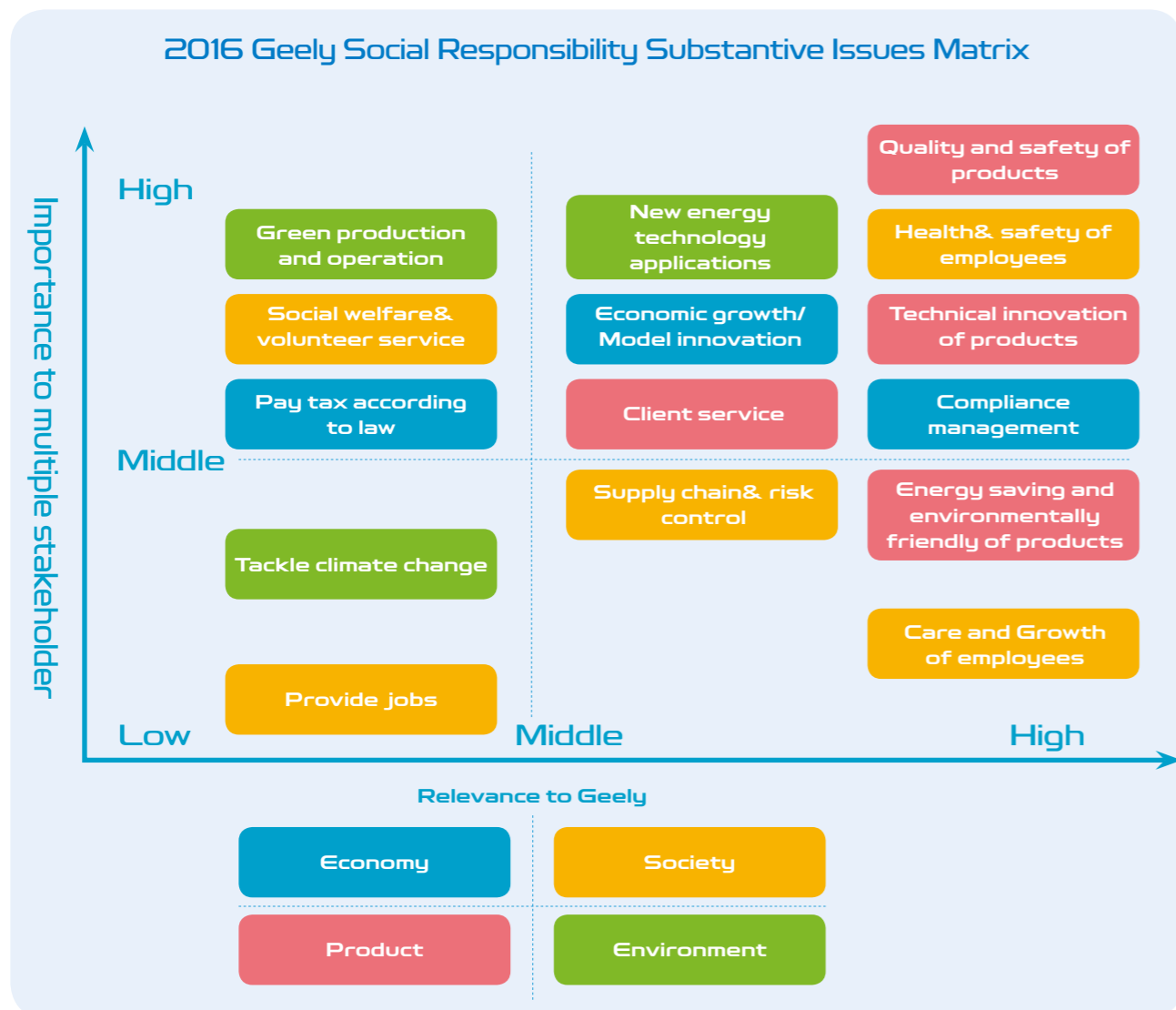
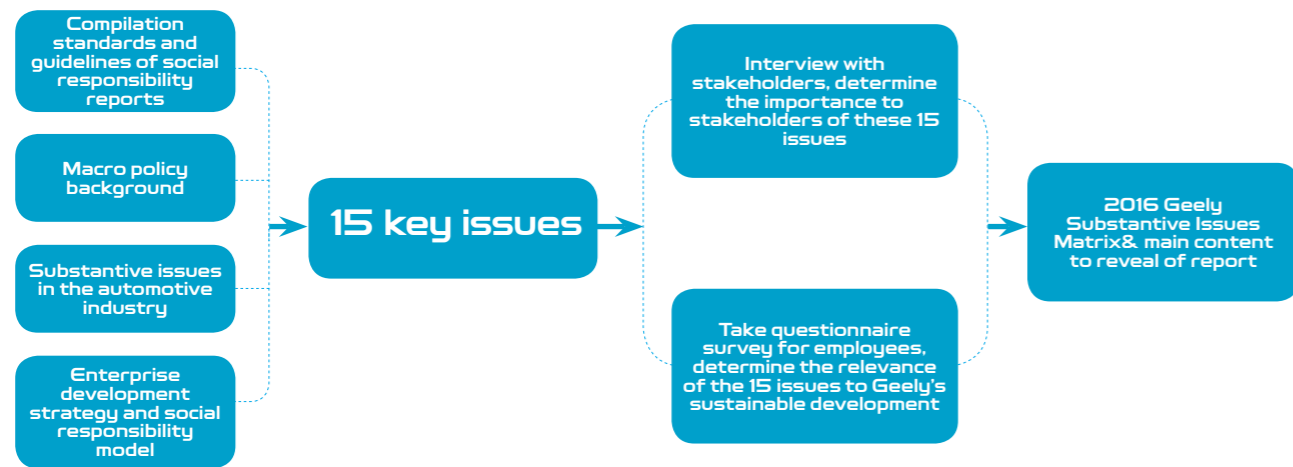


## 3. Substantive issues screening

In order to further understand the expectations of Geely stakeholders and enhance the relevance and responsiveness of the report, we refer to the relevant standards, guidelines and policy requirements of corporate social responsibility such as G4 and ISO 26000, and conduct benchmarking to contents like the social responsibility reports of domestic and foreign automobile industry and substantive matrix, combined with Geely's development strategy and corporate social responsibility concept

model, finally 15 key issues were selected. Based on identified key issues, we have conducted special interviews with stakeholders such as clients, suppliers, and distributors to determine the importance to stakeholders of these 15 issues. At the same time, we have carried out an on-line questionnaire survey for Geely's employees in the form of internal system push, which assessed the relevance of the 15 issues to Geely's sustainable development, and finally the 2016 Annual Geely Substantive Issues Matrix was formed to determine the main content to reveal of this report.

### Identification Process of 2016 Geely Substantive Issues



### 4. Communication with stakeholder

The establishment of a diversified stakeholder dialogue mechanism is an important guarantee for enterprises to improve operational efficiency and adjust the direction of development. As a responsible enterprise, Geely disclosed business information in strict accordance with the relevant requirements of information

disclosure. We interacted with stakeholders actively through various channels. In 2016, Geely official website, Zhejiang Geely Holding Group and Geely Auto WeChat public number issued 83, 154 and 1,001 dynamic messages respectively. We listen and respond to the needs of stakeholders and look forward to working with everyone to create shared value!

Stakeholders	Issues concerned	Our responses
Government and regulatory agencies	*Compliance management *Economic growth *Provide employment *Reduce emissions	*Comply with laws and regulations, pay tax according to the law, antitrust *Drive partners to operate honestly, anti-corruption *Strengthen the environment and safety management, accept the regulatory assessment *Absorb employment, cultivate talents *Participate in public affairs, grow with economy and society
Investors	*return on investment *disclose operating information	*Manage prudently, maintain a good market value level *Improve governance and strategic planning, protect the interests of investors *Strengthen communication, timely disclose business information
Customers	*Diversified product structure *Product quality, safety and environmentally friendly performance *Driving experience and customer service *After-sales and product recall system	*Enhance the technological innovation, make refined cars for everyone *Focus on customer experience, conduct customer satisfaction survey *Quick response to emergency repairs and consumer complaints *Protect customer privacy and information security *Interact actively with customers by club activities
Employees	*Vocational health and safety *Vocational training and career planning	*Carry out the construction of information security, pay attention to employees' health *Propose the blue-collar timing compensation system and the strikers incentive plan *Establishment of flexible welfare system like "JI DIAN DIAN" *Carry out the construction of Geely school operational entities, improve the staff training system *Listen broadly to the voice of employees by the reasonable recommendations and performance surveys *Enhance employees' satisfaction by "Doing ten years practical things for the staff" *Provide a variety of staff care and volunteer activities
Suppliers	*Normative and transparent procurement process *Integrity and reciprocity	*Develop a tender management approach, protect the legitimate rights and interests of suppliers *Sign "Integrity and self-discipline commitment", carry out compliance checking *Establish a supplier database platform, provide guidance and training
Dealers	*Guarantee the quality of products and services *Provide the necessary technical support	*Develop a dealer operation and management approach, optimize the sales network *Organize capacity building training and skills contest *Conduct sales promotion activities *Sign "Integrity and self-discipline commitment", carry out compliance checking
Environment	*Energy saving and environmentally friendly products *Life cycle green operation *Focus on climate change *Environmental information disclosure	*Develop new energy vehicles, enhance vehicle environmental performance *Research on alternative fuels such as methanol *Advocate shared travel mode like "Cao Cao" tailored taxi *Strengthen the recycling of materials, promote the development of circular economy *Carry out technological upgrading, reduce the production process emissions *Disclose production project completion and acceptance monitoring report
Society	*Public welfare and volunteer service *Vehicle safety education	*Invest to build a number of institutions of higher learning *Carry out "Targeted poverty alleviation" and other projects *Participate in the "Bloodhound" supersonic car project, show the power of science

# Making Refined Cars for Everyone >>>

## Responsibility Focus

In 2016, we have initially formed Geely 3.0 product matrix, and management, R&D, design, manufacturing, marketing and service have entered the 3.0 era accordingly. Adhering to the spirit of craftsmen, Geely has always been working to “Manufacture Refined Cars for Everyone”.

New Emgrand 2017 “1 Million”, 1.3T Manual Version, won the platinum medal of C-ECAP

J.D.POWER achieved 741 points in customer satisfaction survey, 26 points higher than 2015.

The number of Geely club members has exceeded 500,000, and the number of our car clubs in China has exceeded 1,000.



## Intelligent Human-Vehicle Interaction, Security First

Geely has made a “safety first” product development strategy. It keeps moving forward to the goal of “zero traffic casualties” and hopes to achieve the ultimate dream of “zero traffic accident” with self-driving technology.

We have put forward to conduct all-around security management - GTSM (Geely Total Safety Management) in the life cycle of car long ago, and developed the technology path combining active and passive safety together. Moreover, based on that, we have proposed the design idea of “security identification circle”. In 2014, Geely took the lead in carrying out in-depth study of China’s real traffic accidents, and designed products under the necessary condition of reducing the risk of road traffic in China, finally Geely formed a car safety technology development system with the starting point of traffic accident data.

Geely has been going forward from “zero traffic casualties” to “zero traffic accident”. We put forward the design concept of six “security identification circle”, a full range of security management in vehicle life cycle. Based on the data of real traffic accidents in China, we formulate the technical route

integrating proactive and passive safety. Self-developed G-NetLink strengthens communication between vehicles and between vehicles and surrounding environment elements, aiming at constantly exploring the path to change the traditional mode of transport.

### 1. “Safety Identification Circles” Concept

We believe that the main reasons for traffic accidents are the driver’s negligence, sudden change of driving environment and improper driving operation. In view of these three factors, we proposed and implemented a set of overall solution for guaranteeing driving safety—“safety identification circles”, including a total of six levels: sense of driving safety, driver assistance system, information assistance and safety warning, initiative avoidance-type safety, passive collision-type safety, accident alarm and rescue.

The six “security identification circles” is based on the GTSM and we design each model of Geely auto specifically to ensure that the product has a very high overall safety performance. Currently GTSM has been fully applied to Geely Boyue, Geely Emgrand GS, Geely Emgrand GL and the upcoming new vehicle models.



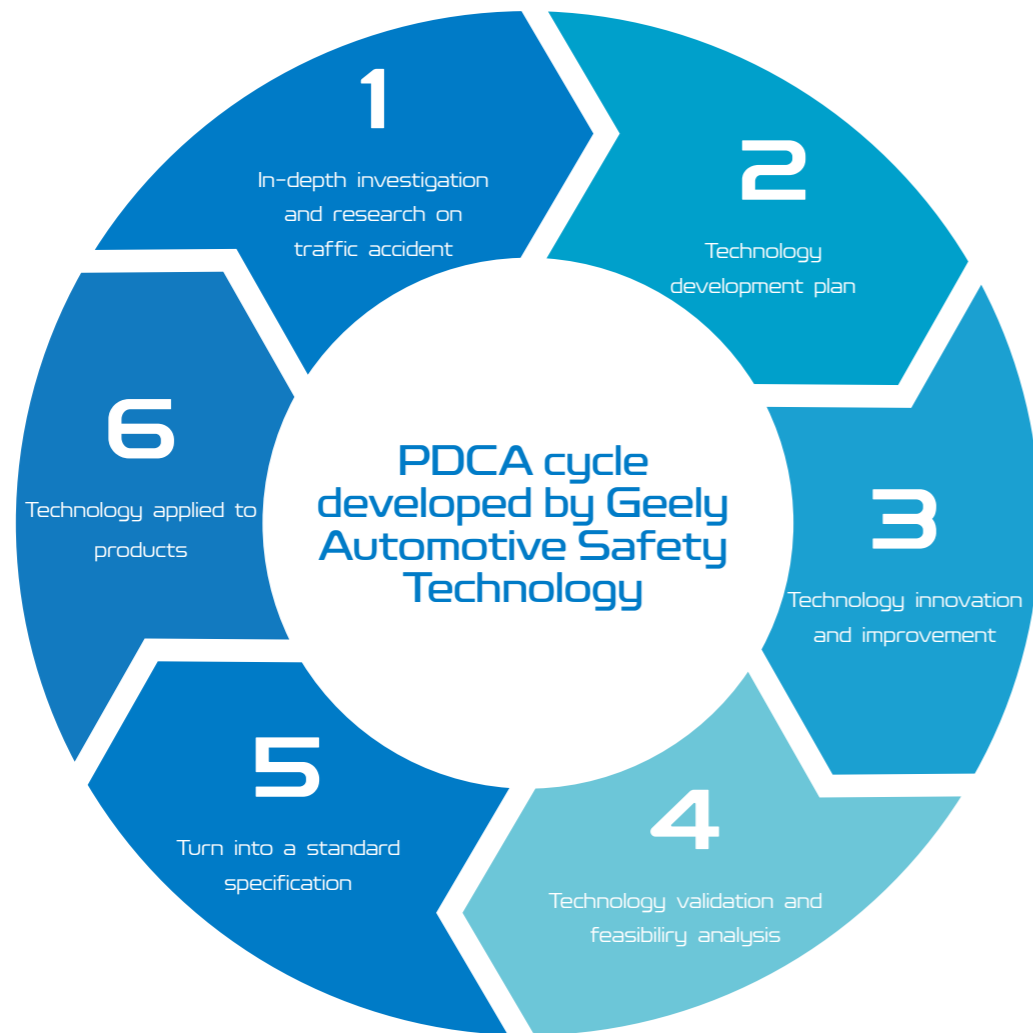


## 2. Vehicle Safety Technology Development System

With further understanding of the essence of vehicle safety, we have been focusing on assessing the safety performance of vehicles from the perspective of actual traffic accidents. Gradually we formed Geely car safety technology development system, which follows the "PDCA" cycle<sup>3</sup> and includes

the accident in-depth investigation and study, technology development planning, technological innovation and upgrading, technical verification and feasibility analysis. Besides, we will convert the analysis to product standards and apply these to the product.

Take the technical verification capacity building as an example.



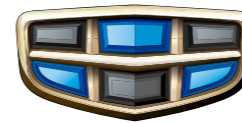
we invested hundreds of millions to establish an internationally advanced vehicle safety laboratory, owning qualifications of CNAS certification<sup>4</sup> and European and American automobile export certification. The vehicle safety laboratory can complete vehicle crash, pedestrian protection, body structure, analog driving and other subsystems of the global mainstream test requirements. In 2016, flexible leg dynamic test, test wall and other high-precision test devices were put into use to meet the needs of standard changes and the development of new models. Safety is not empty talk; it needs to be repeatedly tested and optimized. The total number of tests in 2016 was 2,190,

including 287 vehicle crash tests, 227 sliding table tests, 176 general impact tests, 241 body structure tests, 245 airbag point bursts and 1,014 seat performance tests.

<sup>3</sup> Plan, Do, Check, Action

<sup>4</sup> CNAS (China National Accreditation Service for Conformity Assessment) is the national accreditation body of China unitarily responsible for the accreditation of certification bodies, laboratories and inspection bodies.

## Geely Boyue 2015 won the highest score in C-NCAP test



Manufacturer	Zhejiang Geely Automobile Co.Ltd
Brand	Boyue 1.8T AT two-wheel drive intelligent version
Overall score	58.2
Star rating	★★★★★



## Responsibility Practice

### Bold Simulation of "Crossroad devil crash"

China In-Depth Accident Study (CIDAS) statistics show that in China's traffic accident, "crossroad devil crash", the collision of the vehicle on the side of the vehicle, ranks the second in probability of occurrence, the proportion of casualties caused by crossroad devil crash is very high. In the Third China Automobile Safety Day and C-NCAP tenth Anniversary activities held on 5<sup>th</sup> August, 2016, two Geely Emgrand GL publicly simulated a traffic accident in downtown crossroad. During the test, one car, at the speed of 50km/h, crashed into another car in the vertical direction, whose speed was 16.7km/h. That test has presented the real devil crash at

the crossroads.

The reason why it is called "devil crash" is that the impact energy at test was 58% higher than the national standard and the requirements are more stringent for the body rigidity, welding technology, body design, etc. Actually the difficulty of the test has exceeded the C-NCAP standard.

According to the dummy injury evaluation standards of C-NCAP, Emgrand GL got 17.92 points and 18 points (full mark: 18 points) in head-on collision and side collision, indicating that the occupants of the car have an adequate security protection. The crash test has not only provided valuable reference for Chinese automotive safety, but also vividly educated the public on automobile safety.

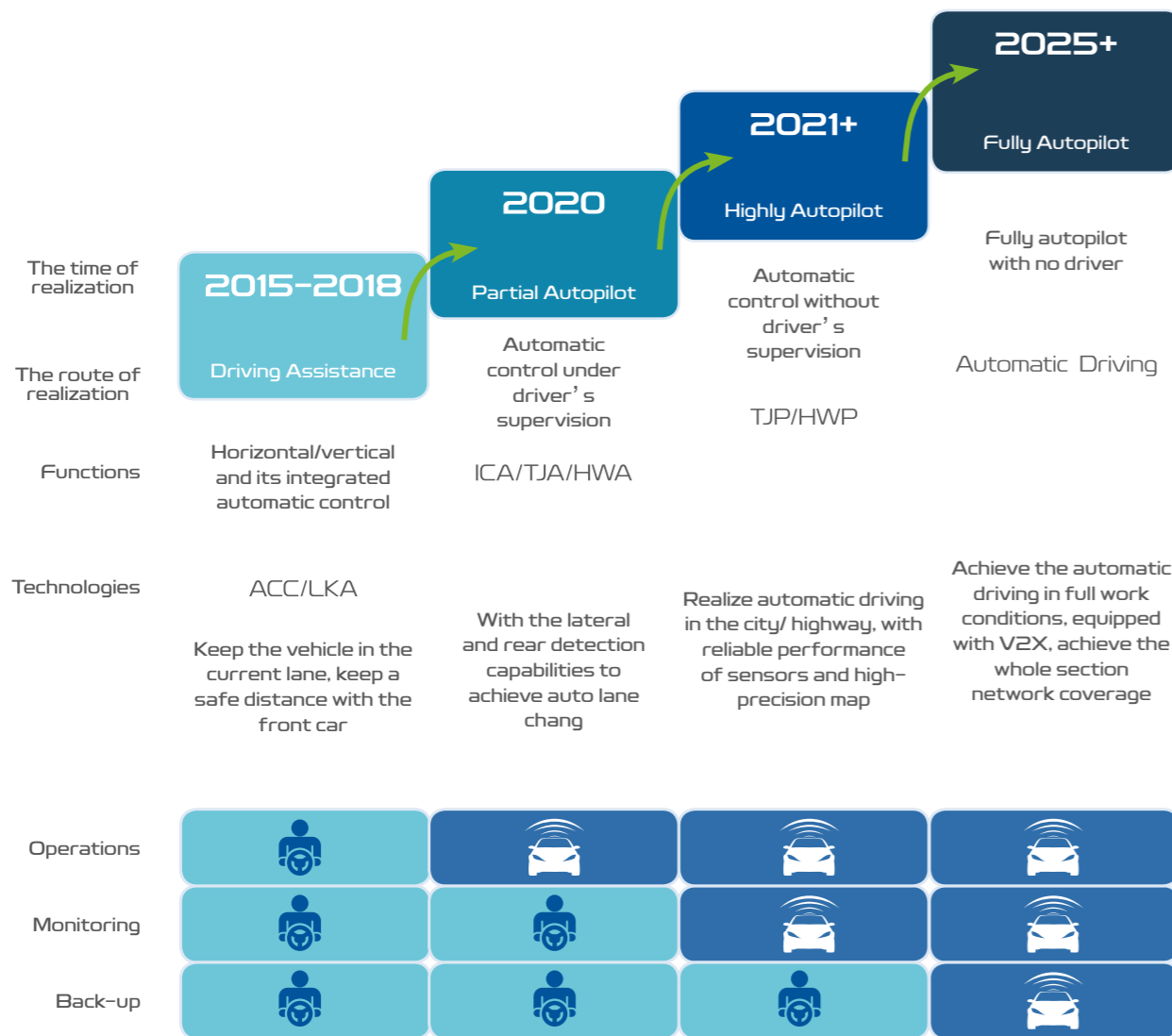


### 3. From intelligent driving to autopilot

Although we cannot define the future of the car, more intelligent, more secure and more convenient is undoubtedly the future development trend of the car. Geely has developed an unmanned medium and long-term plan to suit its own development, sharing Volvo's leading unmanned driving platform. We plan to install

intelligent driving assistance systems for all vehicles in the near future, and initially achieve partial automatic (PA) driving under the supervision of drivers in 2020. We firmly believe that traffic congestion, traffic safety and many other social problems brought by cars will ultimately be resolved by intelligent driving technology.

#### Geely Intelligent Driving Route



### 4. Overall solution of car networking

With the rapid development of cloud computing, sensors and other technologies and the continuous improvement of intelligent communication and road facilities, intelligent network vehicles are gradually changing the existing mode of transport. In 2016, we launched development project of G-NetLink 3.0

intelligent interconnection system, integrating natural voice, biological recognition, big data, artificial intelligence and other technologies. In addition to providing the owners a safer and more convenient driving experience, we hope that with the help of car network platform, we can integrate the upstream and downstream industry chain, thus promoting the development of car networking.

### Responsibility Practice

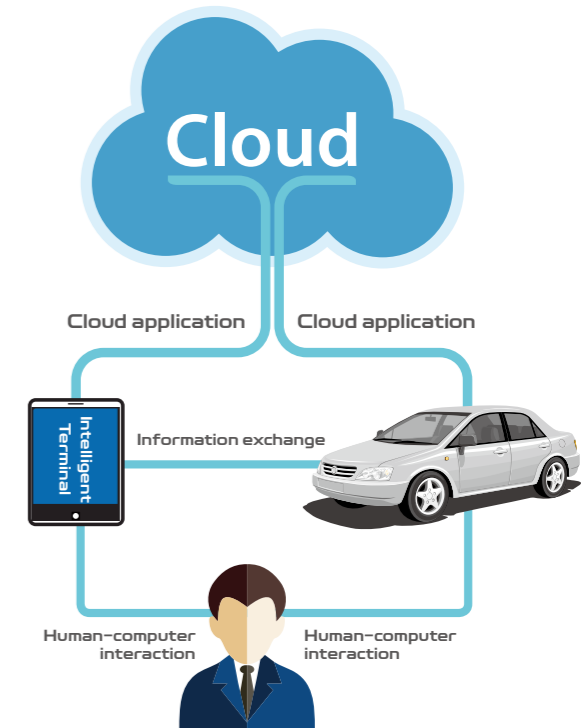
#### Cloud Platform of Car Networking established with Ericsson

On 23<sup>rd</sup> February, 2016, Geely and Ericsson started comprehensive cooperation in car networking field, in which Ericsson provided all the core functions of cloud platform of the car networking. No matter where you are, as long as you have access to the network, you can fully enjoy the benefit of Geely car networking. At the same time, we have established a sound network information protection measures to ensure the safety of intelligent travel.

For example, if the road ahead of the vehicle is in dangerous state like the road is frozen or there is a ponding, vehicles with a cloud platform of the car networking will automatically alert and protect pedestrians or other vehicles that may appear before and after the installed vehicle. In addition, the driver can also check the fuel consumption of vehicles at any time by virtue of cloud platform of the car networking monitor vehicle operating data in real time, and even automatically make reservation at the nearby 4S shop or designated service station.

Through the realization of connecting vehicles and vehicles, vehicles and people, and vehicles and other intelligent terminal, car networking makes vehicles the trusted partner, so as to jointly build an intelligent transportation network.

#### "Human-terminal-cloud system" Interactive Diagram



#### Quality Control from Inside-out

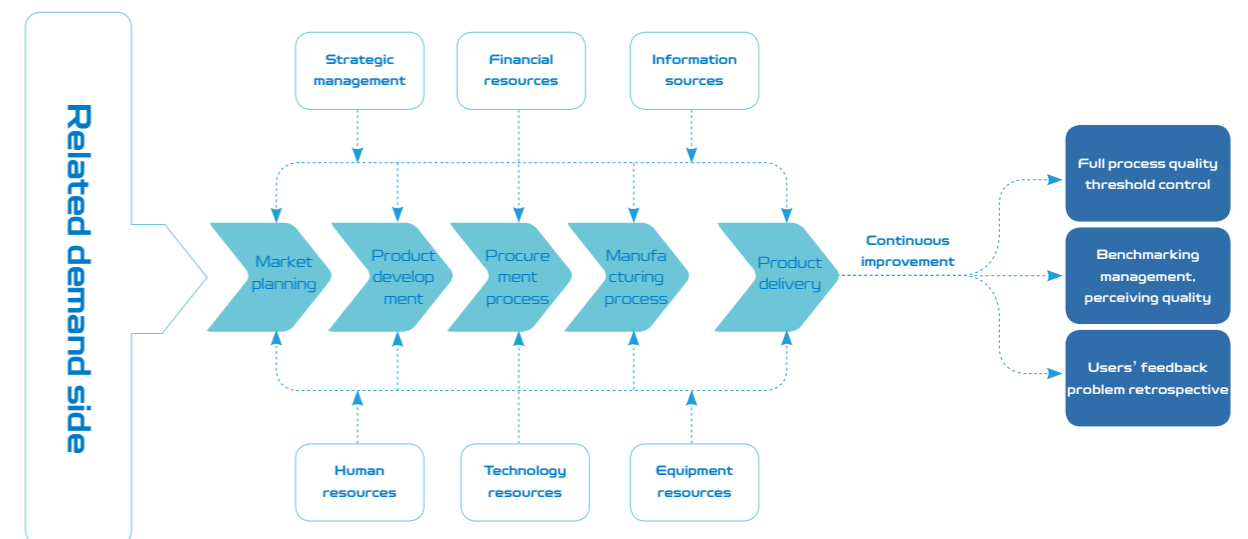
Quality is the lifeblood of automobile manufacturing enterprises. Through the whole process of quality control and promotion of artisan spirit, Geely constantly enhances the overall image of "Made in China".

##### 1. Establishment of Quality Control Procedures

We set up six-in-one quality management and evaluation

system integrating new products, parts, manufacturing process, inspection test, after-sale service, and quality improvement, implement centralized certification of quality management system. Through *New Product Quality Management Manual*, *Geely Automobile Product Recall Management Regulations* and a series of management methods, we further improve the quality assurance capabilities.

#### Quality Control Procedures of Geely



## 2016 J.D.POWER Product Satisfaction Survey Results

Index	Assessment Content	Score (Measured by the number of problems per 100 vehicles (PPI00), the lower the score is, the lower the frequency of failure is)	
		2016	2015
IQS (Initial Quality Study)	Complaints for design quality and production quality problem (including product defects and functional defects) within 2-6 months of use of new vehicle.	118	124
VDS (Vehicle Dependability Study)	Problems encountered in the past 6 months by owners of 37-48 months of ownership period, with a total of 202 problems.	146	152

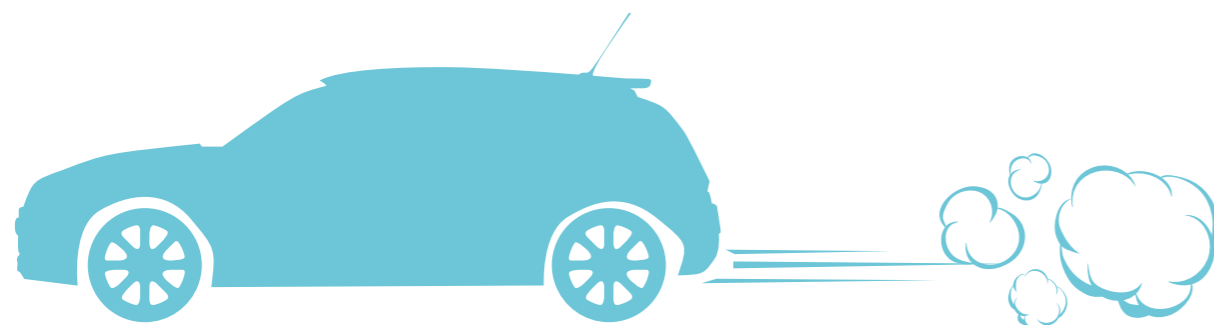
### 2. In-car Health Care

By virtue of HPLC<sup>5</sup> and GC-MS<sup>6</sup> and other equipment, we carried out odor source analysis on non-metallic materials of key models. We differentiated and identified the TOPI00 data of the whole spectrum, matched it with chemical substances mutually, and rectified and enhanced the odor performance of the sample referring the information of the raw materials, auxiliary materials and process parameters in the manufacturing process. The odor evaluation method of parts and materials was also transitioned from a subjective evaluation method to an objective evaluation, and finally a scientific assessment

system combining subjective and objective assessment was formed.

For volatile organic compounds (VOC) in the vehicles, we expanded from the most basic control of three kinds of benzene substance and five kinds of aldehyde substance<sup>7</sup> to o-benzene, amines and other banned compounds regulated by European countries. Raw materials, parts and vehicle integration were all certified by VOC. Automatic in-car air circulation and anion air fresh technology were also gradually applied in the new model platform to comprehensively ensure an optimized air quality in the vehicles.

### The Evolution Process of Odor Assessment Method



## Responsibility Practice

### Our 3 Recalls in 2016

By strengthening the product safety performance, recalling defective vehicles etc., Geely carried out prevention, control and management and rapid processing on major quality problems, monitored safety and recall risk information in 24 hours, and stimulated to dispose bulk risk issues within 14 days; continuously strengthened the market quality control analysis, promoted production improvement and supplier quality assurance and comprehensively enhanced product quality.

Recalled Vehicles	Starting Date	Amount	Reasons	Solutions
Part of Geely ECB	2016.1.22	1593	For supplier's imperfect manufacturing, in extreme cases, the signal of side gas curtain might not be accurately transmitted, causing the side gas curtain improperly expanded.	Freely test the recalled vehicles; install harness transfer device
Part of 2016 Geely New Emgrand and 2015 Geely GC7	2016.6.29	521	For supplier's imperfect manufacturing of vehicle parts, in extreme cases, the gearbox may jump from the sixth gear into the neutral position, causing temporary power failure.	Replace improved gearbox assembly freely for recalled vehicles
Part of 2016 Geely GX7, 2015 Geely GX9, and 2014 Geely GC7, 2015 Geely GC7	2016.10.14	56,121	For supplier's imperfect manufacturing, collision sensor works abnormally. In extreme cases, there may appear lit airbag warning lights, self-blown airbag or pop-up failure of airbag, etc.	Test the recalled vehicles; replace the problematic collision sensor freely.

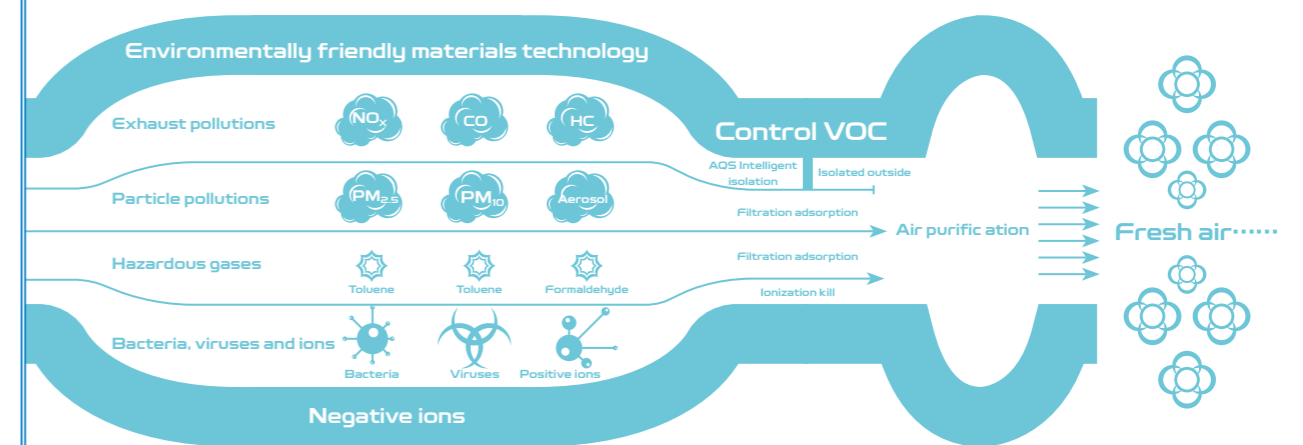
## Responsibility Practice

### "Ecological Clean Room" of Geely Emgrand GL

Ceaseless haze results in deteriorating air quality. Looking into various factors, the vehicles certainly cannot be free from it. In addition to vehicle exhaust emission, the in-car air quality is also an important indicator.

Geely Emgrand GL is designed under protection of environmental material process, intelligent pollution isolation, high-efficiency air purification and the fresh air regeneration; its total VOC removal rate is more than 99% in 2 hours, and the PM2.5 index declined from 5,000 (10 times of the upper limit of AQI) to 7, thus creating a mobile "ecological clean room".

### The Principle of "Ecological Clean Room"



5 High Performance Liquid Chromatography  
 6 Gas Chromatography-Mass Spectrometer  
 7 Benzene, toluene, ethylbenzene, xylene, styrene, formaldehyde, acetaldehyde, and acrolein

### 3. C-ECAP Platinum Medal

China Eco-Car Assessment Programme (C-ECAP) was formally completed in 2015. The ecological performance of automotive products is assessed from three aspects of "health, energy saving, environmental protection", including five basic indicators, namely, in-car air quality, in-car noise, harmful substances, comprehensive fuel consumption, and exhaust emission. The assessment results will be intuitively and quantitatively classified into different levels of eco-car, and will be released as platinum, gold, silver, bronze medal or unlicensed, and cars will obtain the appropriate certification mark. In 2016, New Emgrand 2017 "1 Million", 1.3T Manual version won the C-ECAP platinum medal<sup>8</sup>.

### A Comprehensive Upgrade of Customer Experience

We adhere to the service concept of "subtle care", listen to the users' voice initiatively, protect customer privacy, and enhance brand cohesion through a series of car club activities. In 2016, our J.D.POWER customer satisfaction survey achieved

741 points, 26 points higher than 2015, ranking third in self-owned brands, and our customer service has stepped into the fine car 3.0 era simultaneously.






#### 1. Improvement of Customer Service Quality

We continue to promote the implementation of six care systems, that is, care center, care club, care to home, care on the road, care seasons, and care classrooms. We provide all-weather consultation, road rescue and complaints handling services for potential customers and terminal customers through telephone, WeChat, forums, e-mail, etc. In addition, we have a mysterious customer research and other forms to conduct multi-dimensional evaluation on customer satisfaction.

At the same time, in the context of national information strategy, ensuring the safe storage and transmission of customer information is the bounden duty of each enterprise. To fully protect customer privacy, we have built a progressive information security system, and have set up a strict user data transfer management system together with Geely 4S shops and service stations. In 2016, we have received zero complaint about disclosure of vehicle owners' information by Geely call center.

### Customer Service Quality Improvement Measures in 2016

In 2016, we responded to **340,000** consultations, handled **12,495** road rescues; researched nearly **100,000** users by telephone, held **60** customer conferences in **16** cities, and conducted **800** third-party mysterious customer researches.

 <p><b>400 Hotline efficiency upgrade</b></p>	 <p><b>Business words innovation</b></p>	 <p><b>Return visit to omissive calls</b></p>	 <p><b>Establish a standard for complaints</b></p>	 <p><b>Image building of service network</b></p>
<p>* Set system functions, formulate customer service performance indicators, conduct personnel training * Average daily response of customer service representatives increases from 54 in 2015 to 75 times</p>	<p>* Benchmarking with the same industry call center, adjust the key business words, quickly and accurately reply messages * Transpositionally experience customer quality, summarize experience by listening to call recording</p>	<p>* Pay return visits to all-day omissive calls * Pay a return visit to the customer who asks questions or complains by WeChat public number or car forum, etc.</p>	<p>* Establish exemption complaints business type, service stations can appeal to avoid blind assessment * Quickly respond and effectively handle customer complaints</p>	<p>* Provide VIP lounge, electronic maintenance board and IPAD pick up and other user experience facilities * 502 and 313 service outlets have completed electronic maintenance progress board and VIP lounge respectively</p>

### 2. Pursuit of Ultimate Product Experience

In extreme conditions, can Geely vehicles bring users extreme product experience? Answer from Geely engineers is: "Certainly!" Geely new models need to meet the cycle simulation including bad road, mountain road, high-order loop, etc. for 4200 km in test site, in addition, Geely will also verify its reliability in extreme environment.

From the extreme cold -51 °C, extreme heat 47 °C, to 5,320m above sea level, through the Guangxi, Hainan, Heilongjiang, Inner Mongolia, Xinjiang, Qinghai, and Tibet, Geely Boyue simulate the extreme use environment and security challenges caused by operating errors together with nearly 5,000 Chief Experience Officer. Four-wheel drive in situ rotation, ice drift, traveling over land and water, crossing the sand, challenging the Gobi, each test is inevitable before Geely new vehicles marketing.



Places	Cold poles of Heihe, Yakeshi and Genhe
Time	2015.12-2016.12
Verification	Low-temperature start, manipulability, heating and defrosting effect of air conditioning, sealing performance
Results	The design goals were met, the needs of users can still be met under the extreme cold conditions



Places	Xinjiang
Time	2016.8, the temperature was 35°C
Verification	High-temperature start, heat balance, manipulability, cooling and defrosting effect of air conditioning, sealing performance and rubber pieces aging
Results	The design goals of high-temperature start and heat balance were met, the driveability and cooling effect of air conditioning was good



Elevation	2,000-5,400m
Verification	Vehicle start-up performance, dynamic performance and manipulability in the high altitude environment.
Results	Normally started at 5,000 m above sea level, dynamic was normal after starting supercharger.

<sup>8</sup> <http://123.127.164.45:8290/cecap-report/testGrade/forCecapTestGradeGrid.action>.



Geely Club has been developing for eight years since its establishment, the number of members has reached **500,000**, a growth of **57.3%** compared with **2015**, and there are over **1,000+** car clubs nationwide.

### 3. “We” at Geely Club

In 2016, 3.0 products, like Boyue, Emgrand GS, Emgrand GL, were marketed. The new users groups not only pursuit product quality and service, but also are more willing to share their car experience initiatively to interact with car riders. Geely Club launched large official line-off fan activities - “we” for more than 200 invited owners, including a series of activities like “we-SUV first annual meeting”, “we-upward carnival for car fans”, which not only narrowed the distance with the Geely

owners, but also advocated a positive and progressive spirit. Grateful, we provided free maintenance, birthday blessing and other services. VIP electronic membership card identifying the car owners were released, where the cumulative Geely coins can be used to exchange gifts and electronic coupons in official website of Geely club. Simultaneously, we set up car fans fund in the form of Geely coins to support the self-driving travel organized by car fans. Green runway and other activities. We sincerely wish every user “happy life, Geely drive”.

## Responsibility Practice

### Today, We Got Married at Geely

At the most auspicious moment, in the most auspicious place, the most auspicious wedding was set up. On 5<sup>th</sup> November, 2016, on the 30<sup>th</sup> anniversary of Geely, 30 pairs of newly-wed couples, composed by Geely Vision SUV owners and Geely employees, held sacred collective wedding at the Geely headquarter.

After being known, acquainted, and falling in love with each other, the 30 pairs of newly-wed couples opened their happy

life journey, and they gave each other a lifetime promise under the witness of Geely. Except for the grand wedding ceremony, we also arranged the newly-wed couples to visit West Lake and G20 Summit venues, during which time picturing beautiful traveling wedding photos for them. As the wedding team car, Geely vision SUV has been continuing the mission of delivering happiness since the date of birth; nowadays, it has been veritable “happy car” full of visions of happiness and commitment for the future family life.



### 4. Making racing a way of life

In order to allow more racing enthusiasts to experience “The Fast and the Furious” of racing, Mitime racing, which belongs to the Geely, put all efforts into building racing ecology chain, and set off a speed wave covering from the civilian racing to the international Formula One race. In 2016, Mitime racing made efforts to create Fédération Internationale de l'Automobile (FIA) F4 China Championship, China Formula One Grand Prix (CFGP), Geely Emgrand Cup Citizen Auto Challenge and other series of events, and dedicated colorful feasts of games for Chinese drivers and fans.

“Geely Emgrand Cup Citizen Auto Challenge” is designed for general citizens who love the racing culture. Geely Emgrand cars were used as race vehicles, which equipped with turbocharged engines that developed by Geely independently and have a reputation of “China Heart” Top 10 engines. The suspension and brake system were carefully modified and equipped with EPS electric power steering system, because of that, the innate sports ability of the race cars brought drivers the ultimate track experience. Based on the success of three consecutive years, we continue to innovate in the competition system: In May, Chengdu, apart from the traditional professional group, student group was added in for the first time, and the “qualifying” race system was introduced; In July, Beijing, the elites of the police from all over the country were attracted to show the necessary and high-level driving skills; In September,

Shanghai, the first “Mulan Elitist Match” was held to provide a competitive stage for the Chinese women racing enthusiasts. In November, Zhuhai, drivers from 5 countries showed extreme confrontation of racing, and the game that has lasted for six months officially ended. 1,292 enthusiasts and ordinary citizens from home and abroad drove and experienced racing.

In addition to the Citizen Challenge, Geely provided the CFGP and the FIA F4 China Championship for professional racers to experience faster and more exciting Formula One races. F4 is a Formula race that recommended by the FIA, which aims to popularize Formula One races and build a promotion road from kart to F4 to F3 and finally to F1. The current CFGP racing cars are equipped with Geely 1.8L4G18 engines, while FIA F4 China Championship racing cars are equipped with Geely 2.0L (NL-1C 4G20) naturally aspirated engines. It's worth mentioning that the Geely 4G20 engine is the second F4 racing engine passed the FIA certification. Among the current 4 engines certified by FIA, Geely engine is the only one outside the Europe and recommended by the FIA to F4 tournaments of many countries.

As a practitioners of racing in China, Geely's brand connotation of “Dynamic, Exquisite and Confident” has penetrated into every corner of Chinese racing. The complete racing ecology chain and the more mature tournament system, not only provides a stage for the general public who loves racing culture, but also helps professional riders go further on the road of race.



# Showing Respect, Achieving Success and Creating Happiness >>

## Responsibility Focus

We respect every employee, protect employees' remuneration benefits and other basic rights. By creating a safe working environment, continuous improvement of training and development system and carrying out caring activities and volunteer services, we stimulated the potential of employees and enhance employee's happiness.

The average number of people in 2016 was 29,344.

In 2016, 1,581 graduates were recruited.

In 2016, employee satisfaction was 79%, 1.6% higher than that in 2015.

The number of training sessions in 2016 was 13,499.



## Equal Opportunity to Bring Talents Together

With the accelerated pace of economic globalization, cross-cultural exchange and cooperation becomes increasingly frequent. We are committed to be "open, respectful and inclusive", and to create harmonious working environment for all employees without discrimination in relation to race, nationality, religion, disability, sex, education and so on. Geely are resolutely opposed child labor and forced labor.

Achievements of Geely embody in the wisdom and strength of each employee. We signed seven collective contracts with employees, including Labor Contract, Collective Contract for Salary, Agreement on Protecting Rights of Female Employees, so as to protect the fundamental rights of employees. Moreover, we continued to carry out mutual assistance work for employees: in 2016, 205 people were assisted by mutual assistance fund, a total of RMB 343,400.

In 2016, we optimized the salary system of blue-collar workers in part of the production base by means of establishing benchmarking, innovating performance appraisal, etc., so as to constantly improve their skills and product quality. Through market research and large data analysis, in employee welfare types, we increased disease death and supplementary medical insurance; in welfare payments, we tried new ways of by building employee welfare mall platform-Ji Tao Tao. Employees can exchange their desired welfare products with Ji Dian Dian obtained by festive blessings, online training, knowledge contest, unpaid blood donation, striver encouragement, etc.

In order to effectively promote the effective implementation of human resources policies, we assigned human resources business partners (HRBP) to various business units to provide total solution for their special requirements in terms of talent discovery and capacity development. In 2016, HRBP model has developed deep in group headquarter, mature base and R&D system, to help the business sector growth with the perspective of human resources.

## Responsibility Practice

### Intercultural Communication with Canterbury University

In order to enhance the exchange of Eastern and Western cultures, attract more overseas talent to join Geely, we greeted the delegation of Canterbury University from New Zealand on 25<sup>th</sup> November, 2016.

The communication started with the visit to Geely Automobile Experience pavilion, and we introduced the development history of Geely, corporate culture and research progress in dynamic system, safety performance, new energy vehicles,

light weight, etc. The representatives of the University of Canterbury also shared with us the culture of New Zealand and the development of the automobile industry. Through in-depth discussion, we formed a more comprehensive understanding of the differences of culture, lifestyle, vehicle market etc. between the east and the west. Moreover, we also introduced recruitment and internship policy of Geely for international students, hoping that more overseas students to join Geely, and witness the transformation of China's auto industry together.



## Construction of Safety Standard System



### Health and Safety Care

We adhere to the working policy of “safety first, prevention focus, and comprehensive management” and integrate the concept of “people-oriented” into the whole process of safety production.

#### 1. Safety Production Management

We have set up safety committees at three levels, the group level, the subsidiary level, and the factory level, with nearly 200 Health, Safety, and Environment (HSE) professionals, all of whom have signed *Post Accountability Agreement*. We have improved the safety management method and evaluation standard to ensure that the HSE management is complied with laws and regulations and the development demand of Geely.

All subsidiaries of Geely Automobile Group have set up the GBT 28001 occupational safety and health management system and made efforts to become the first-class safety standardization enterprises. At present, six bases of Beilun, Xiangtan, Chengdu, and others have reached the first-class safety standardization enterprise approved by China Association of Safe Production; Chunxiao, Linhai, and other new bases are also under construction based on the actual production situation. We continued to improve occupational health and safety performance through system management and facilities upgrade.

By analyzing the type, place, and serious degree of possible emergencies, and by integrating emergency capacity of Geely and surrounding emergency resources, we have established a three-level emergency response plan system, including comprehensive response plan, special response plan, and emergency response project, and carried out drills and updates regularly. We also strictly managed and controlled the three-level emergency response plan in order to reduce the influence of emergency on the employees and the surrounding environment.

We fully carried out trainings of occupational health and safety and prevention and control of occupational disease for all relevant employees, and they will not start the work before being qualified by passing the examination and assessment. To reduce the contact with occupational hazard factors of employees, we used the facilities for ventilation, dust extraction, noise reduction, and others, provided the employees with labor

insurance products, and established personal occupational health monitoring record for each employee that contacts with occupational hazards to ensure the long-term follow-up protection of health rights and interests of each employee.

#### 2. Safety Information Standardization

In order to further improve the safety production standards, monitor dangerous operations in real time, analyze historical data online, and forecast the possible safety problems and warn the relevant employees, we carried out safety information standardization construction projects in 2016.

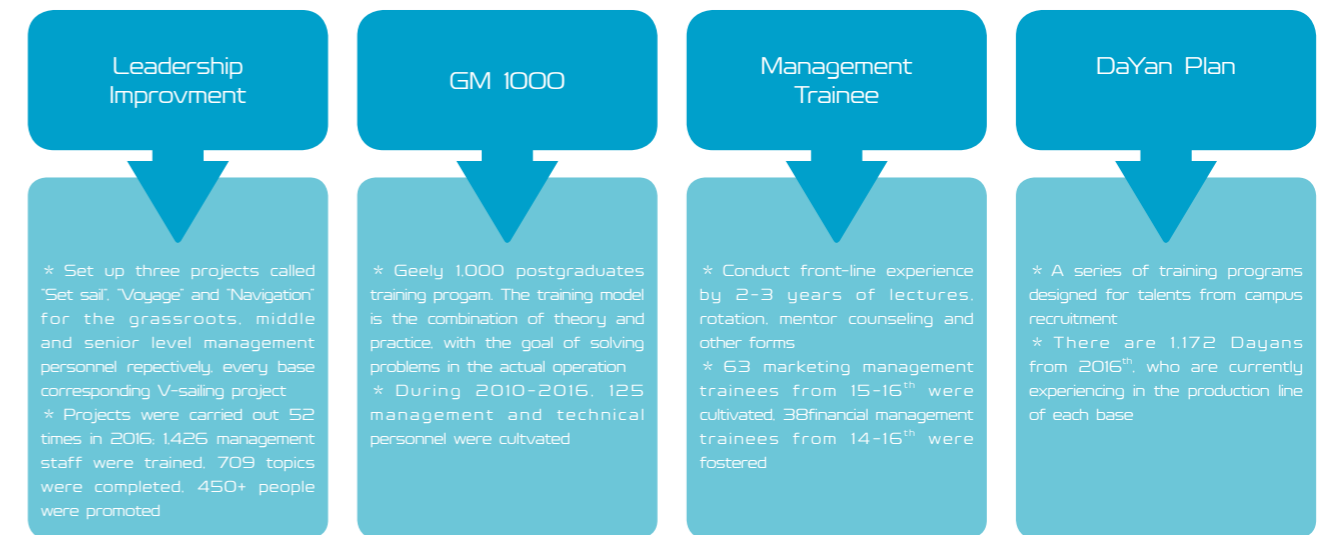
Our safety information system can be divided into seven modules of occupational health, environmental protection, decision support, and others, including content provided by legal standards, such as hidden trouble checking and governance, safety prediction and warning, and others, which can achieve the level-to-level control and audit of the group and subsidiaries, and the early warning of the possible safety problems, so that we can rectify and reform with target.

### Continuous Learning and Growing Together

Geely is not just a factory; it is more like a school. We provide diversified training and development opportunities for all employees to help them reach their full potential. In 2016, through the establishment of the Geely School, we improved the quality and efficiency of training services. Until now, we have held more than 2,000 trainings and meetings for more than 50,000 people with a total of 16,000 hours.

Aiming at the core business of management, marketing, R&D, quality, and so on, we developed more clear training objectives and E-learning plans, and built a community continuous learning platform. The training and development modules have been continuously optimized in practice, which sped up the cultivation of reserve talents for Geely fine car 3.0 era. At the same time, we are trying to build a team of internal trainers who love to share in order to seek more promotion space while conducting experience sharing and communication.

## Geely Training Development Modules



## Responsibility Practice

### Sharing Leads To Progress

I am Lv Yicong, an ordinary technical worker of Geely Automobile Luqiao Base, serving as the deputy to the NPC of Zhejiang Province and the part-time deputy secretary of Zhejiang CYL Provincial Committee. Thanks to years of cultivation of Geely, I have had the honor to win the National Model Worker, National Labor Medal, China Youth Five Four Medal, National Outstanding Technical Worker, National Model Knowledge Worker, National Outstanding Peasant Laborer, No. 1 and Golden Hammer Award of Zhejiang Workers Skill Competition, etc. Besides, the workroom "Lv Yicong Master Technician Workroom" named after my name has also been rated as the 2015 National Master Workroom.

In my opinion, for the success of Geely strategic transformation, we must pay attention to the technology and quality, which are inseparable from the quality promotion of each worker at the production line. In order to help our team continue to learn and progress in the work, I also took a lot of people as apprentices to cultivate their technical abilities.

I made professional training plans and regularly carried out automotive theoretical knowledge training and skills training courses, so that each person can develop his/her own professional skill. To my delight, more than ten of them who are good at full vehicle debugging have become the backbone of debugging team of Geely, and some others have been transferred to the other systems of Geely by virtue of their technical advantages.

The disadvantage of doing things alone is that it is not easy to find your own problems. Only by sharing your experience can you know exactly your problems from others and realize that there is a long way for you to go through others' experience. I encouraged each apprentice of mine to reach beyond me in a particular special skill. On the one hand, it can cultivate their ability to think independently; on the other hand, it can remind me my own deficiencies, so as to promote greater progress of our whole team and make the working environment full of positive energy.



## Enjoying Happy Work and Happy Life

In 2016, we set up Employee Loyalty Award and awarded medals to employees so as to encourage employees to grow and struggle together with Geely. The concern of Geely for employees can be reflected from the details, and we constantly implemented the idea of "Happy life, Geely Drive!".

### 1. Information Sharing Platform

The effective implementation of daily management work of human resources, including performance evaluation, salary administration, and others, largely depends on the accuracy and timeliness provided by large data system. In 2016, by continuing to build the HR Portal information sharing platform, we have fully integrated the basic information of employees, performance evaluation, online learning, information center, and welfare mall, and developed the adapted mobile version according to

employees' habits.

We hope that the information sharing platform can help to enhance the communication between business units and employees, form a unified standard, and improve work efficiency; a happy working environment can be created through information-based means.

### 2. Life Care

Work is not the whole of life. In addition to creating a harmonious working environment for employees, we also give the employees a hand with life issues if needed. We provide the employees with apartment rental, room for maternal and child, fitness campaign, free haircut, open day for relatives, child-care service in summer vacation, etc., which covers all aspects of daily life, so that the employees can enjoy both happy work and happy life in Geely.



099 Steps  
025 Calories

每天正能量

Tact 机敏  
Talent 才能  
Tenacious 坚持不懈  
Tenable 无懈可击

如果拥有高营养价值和低卡路里，富含优质碳水化合物，能让你更有力量。且抗氧化剂能帮助你更年轻。

contain high nutrition and low calorie... you much more... while, fitness can... quickly by... oxidant.

SPORTS

## Responsibility Practice

### Happy Everyday

I'm Heyan and I joined Geely in March 2016, and have the honor to grow together with CMA, the new Business Department. Although I haven't been in Geely for a long time, I deeply appreciate the warmth it always gives to me, especially the idea of "Happy life, Geely Drive!".

In Geely, even a tiny employee is respected by others. In work report, the leaders will listen to the ideas of each person carefully and then make suggestions for the improvement; there are also a series of training and team building for helping us quickly adapt to the work of Geely and integrate into the big family of Geely.

At the same time, I also participated in some volunteer activities, such as G20 volunteer translator, targeted poverty alleviation project, etc. I just want to make people around feel full of positive energy through my own efforts.

I always think that I am like a growing child in Geely, if I like to dance, Geely gives me the chance to dance, and if I want to sing, Geely will also give me a lot of encouragement and support. In nearly a year in Geely, I felt very happy and gained new things in each single day.



## Responsibility Practice

### Enjoy the Happy Work on the Production Line

I am Ge Chang, and I am responsible for the production management of assembly plant, including quality control, production safety, cost control, etc. Because it belongs to the Manufacturing Department, and the quality control of the products directly connects with the customer satisfaction, the most important thing is to ensure that the products meet the standard requirements, and then the products should be convenient and enjoyable to experience. The final assembly is equivalent to the last process of a product, which directly face the 4S shop. There are many factors that affect the product, such as stamping, welding, coating process, quality of parts, personnel, equipment changes, etc. and in each year, we carry out internal audits and management review to identify factors that affect the stability of a product and lay emphasis on the control of these factors.

What's more, in order to reduce the wastage rate of front-line employees, the assembly plant has taken a series of measures, such as birthday party, seminar, etc. We also like to help the employees solve the problems in work, so as to improve employee satisfaction and make them feel the happiness on the production line.







G20 2016 CHINA

# G20杭州峰会指定产品

G20 Hangzhou Summit Designated Products

## 浙江吉利控股集团有限公司

产品内容：沃尔沃S60L、帝豪GS、吉利博瑞、吉利博越、远景X6、帝豪V6

国际峰会杭州市筹备工作领导小组办公室  
G20 Summit Hangzhou Preparatory Office

二〇一六年九月  
September 2016

### 3. G20 Summit and Geely community services

As the world's most influential political and economic forum, Hangzhou G20 Summit attracted the world's attention and led the world economy. In order to support the smooth convening of the G20 Summit, Geely actively provided the organizing committee with 330 Geely vehicles as the designated vehicles for the reception, security, and other areas during the summit. In the meantime, we have also set up a dedicated technical service team to provide all-weather protection and support.

We recruited more than 200 employees as volunteers, after a unified training, volunteers assisted the public security officers and traffic police departments to carry out vehicle guidance, pedestrian guidance, consultation service, translation (English, French, Russian, Korean, etc.), order maintenance, etc. around the

summit and in main roads from 3<sup>rd</sup> September to 5<sup>th</sup> September, 2016. Geely volunteers in each position worked very hard and were always on call to deal with changes and emergencies. With their professional, friendly, and considerate service, they were unanimously recognized by the G20 Summit Organizing Committee, armed police, police, and pedestrians.

Moved by the love of Geely, the employees of Geely continued to inspire the city's energy by volunteer service. In 2016, we kept to carry out volunteer activities, such as unpaid blood donation, subway service, etc. To take Hangzhou Park as an example, the number of employees as volunteers reached to 420, which increased 213% compared with that of 2015; the volunteers there have provided 107 volunteer services with the cumulative time of 2,146 hours.



# Win-win Cooperation with Partners

## Responsibility Focus

A fate community was formed between us and suppliers, dealers and other partners on the value chain. It is just like the each high-speed rail carriage, which has its own core power system but mutually constrained. The train can move full speed ahead only if we coordinate with each other. We continue to explore a win-win model with partners, adhere to independent innovation, strengthen exchanges between industries, and continue to create shared value.

In 2016, 6 times trainings for more than 100 suppliers were completed

In 2016, Geely has cooperated with over 920 dealers.

In 2016, 3,582 sales promotion activities were carried out.

In 2016, 1,474 patents were applied and 1,254 patents were authorized, including 458 invention patents; 69 academic papers were published; Geely led the development of 3 industry standards and participated in the development of 6 industry standards.



## Suppliers Screening

The quality of the suppliers plays a vital role in the development of Geely. Whether the supplier is global or local, we request it continuously improving the response speed in terms of design and development and committing to continuously improving the quality of components. This is the only way to maintain the competitive advantage in respective market

and utilize a 1 +1 > 2 aggregation effect.

After continuous innovations and practices, we gradually explore a set of suppliers' management system with Geely's characteristic. In 2016, we built the procurement information

management SRM<sup>9</sup> system to achieve the three-grade supplier access certification mechanism and the whole process management of the procurement process; carried out joint procurement with CEVT and enhanced the global procurement capacity with a high degree of market sensitivity; implemented the supplier on-site examination to achieve the consistency control of product quality; promoted the implementation of components platform common plan and completed 42 platform projects; completed 6 times trainings for more than 100 suppliers and continuously improved suppliers' capabilities of product design, risk control and quality testing, etc.

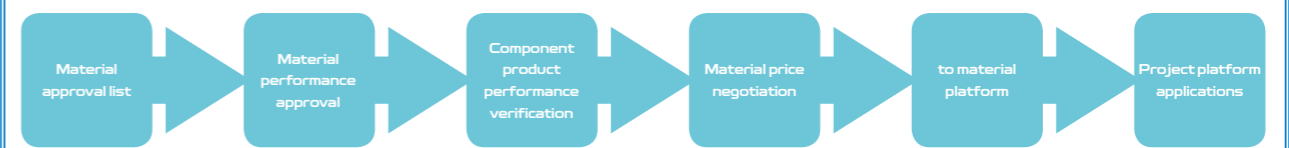
## Responsibility Practice

### Platform construction of non-metallic materials

In order to control the stability of components product performance and save development and verification costs, we built a non-metallic materials database. We turned the management model of non-metallic materials from host-factory-led to supplier-led. And we planned to achieve that more than 60% of the non-metallic materials of the Group

are selected from the platform materials database.

Take the door trim material for example, firstly we selected 3 materials for material performance approval from the market and conducted performance verification of components. Then we carried out price negotiations after the material passed the performance verification and finally they are selected to the material platform database for the selection of each project platform. That is how we achieved cross-platform applications for the same material.



## Dealer Management

In 2016, Geely 3.0 time products rolled out intensively, for our dealers it is not only an opportunity but also a challenge. In order to strengthen the communication and cooperation with dealers, carry out the work more accurately and ensure Group's goal of producing and selling 2 million cars in 2020 is achieved, we have formulated the "Operation and Management Measures Geely Automobile Dealers".

### 1. Dealers' network optimization

When products of Geely entering the 3.0 time, the construction standard of our channel was also increased to 3.0. We gradually enhanced outlets density of the first-tier market instead of focusing on third-tier, fourth-tier or fifth-tier market in the early stage. In 2016, Geely Automobile has cooperated with over 920 dealers. At the same time, we carried separate selling of G-network (Boyue, Emgrand GL) and L-network (Vision SUV, Emgrand GS) to maximize marketing capabilities of dealers and take advantages of new products.

### 2. Channel expansion of E-commerce

Our E-commerce platform has gradually formed a "1+N" channel model - self-built E-commerce platform (blue mall) takes the major role while third-party E-commerce platforms (Tmall flagship store & Autohome flagship store) takes the minor role. Multi-channel of customer service and product sales have been achieved. By the 11 November of 2016, the number of total visitors was more than 10 million, and the number of total orders was 8,705, of which 4,620 orders were from Emgrand series.

### 3. Upgrading of sales promotion activities

In order to make our customers know Geely's products better and feel a good driving experience, we carried out 3,582 activities of tasting, group-buying, auto show and sales promotion in 2016, in which we sold 203,687 vehicles.

In addition to domestic auto shows in Beijing, Shanghai and Guangzhou, etc., we also actively participate in the international auto shows like Sri Lanka and Russia. We have carried out a series of changes of products to meet the needs of the local market and promoted the globalization of R&D, manufacturing and sales of Geely cars.

<sup>9</sup> Supplier Relationship Management

Responsibility Practice

Geely Emgrand GL "Strength Experience Camp" speaking with strength

Today, China's A-class car market competition has been heating up. Faced with a great variety of new cars, how should consumers choose? In order to allow potential customers to experience the texture of products at close quarters, we held 16 Geely Emgrand GL "Strength Experience Camp" in Chengdu, Jinan, Tianjin, Hangzhou, Lanzhou, Kunming, Changsha, Nanchang, Shijiazhuang, Hefei, Guiyang, Qingdao, Zhengzhou, Xiamen, Guangzhou and Taiyuan during October to December in 2016. The cumulative number of customers participated was

2,725. 405 medias have participated in report. 2,320 people were converted to intended customers and 636 cars were delivered on-site.

We designed each event plan combined with regional features. And gradually a scalable project model with a core of three modules-"Product Explanation, Strength Experience, Delivery Ceremony" was formed. With the help of static blind measurement and dynamic experience of joint venture star car, Geely Emgrand GL got remarkable performance in the car air quality, idle NVH<sup>0</sup>, ride comfort, material and manufacturing process, design, handling and safety. Geely Emgrand GL injected vitality into China self-owned brand cars with its strength.

Product Explanation



Targeted people: Media+potential customers  
Main content: Introduction of product strength  
\*Explanation of product selling point  
\*Real vehicle static (Car model) display

Strength Experience



Targeted people: Media+potential customers  
Main content: Compared with competing products and blind test drive  
\*Test drive and subjects and security introduction  
\*Compared with competing products and blind test experience  
\*Indoor dynamic test drive experience

Delivery Ceremony



Targeted people: non-first-timebuyers  
Main content: Delivery Ceremony of Geely Emgrand GL  
\*Exclusive delivery ceremony  
\*Took pictures for new car owners

4. Strengthening the dealer training

To enhance dealers' marketing and service capabilities, we carry out pre-sale, after-sale and other diversified trainings every year. In 2016, we have organized 165,319 hours sales training and 173 after-sale training classes, covering 16,685 and 4,423 participants respectively.

We have hold a national sales elite skills contest, with the scale of 5,000 people. We want to enhance sales skills and ability of dealers by various competitions. At the same time, in order to constantly improve the satisfaction of Geely's dealers, we continue to carry out counseling work in store for new franchisees and dealers who are targeting main cities.

Responsibility Practice

Inviting global outstanding service providers to China for communication and exchange

In May 2016, we invited outstanding service providers who are from Russia, Sri Lanka, Egypt, Saudi Arabia and other countries to visit Geely's headquarters and share successful experience. These service providers stood out in the service management and spare parts marketing evaluation of Geely in 2015, which includes contents like customer satisfaction, business

dimension and compliance degree, etc. This exchange consists of manufacturing base visiting, 30 time cars ride experience, Beijing International Auto Show visiting and commendation for outstanding international service providers. We hope that by this exchange, service providers can feel closer to the technical level of Geely cars and understand Geely's management requirements from multi-direction, and finally provide more professional and higher quality services for customers around the world.



Promoting the Scientific Development of the Industry

Geely Automobile Group always adheres to the road of independent innovation. In 2016, 1,747 patents were applied and 1,254 patents were authorized, including 458 invention patents, 69 academic papers were published, including 6 papers in EI/SCI and 12 papers in Chinese core periodical. Geely led the development of 3 industry standards, of which 1 has been released, and participated in the development of 6 industry standards, of which 2 have been released. At the same time, we attach great importance to technical exchanges and cooperation, and constantly promote the development of the entire automotive industry in our own pace.

Geely has a national engineering and technology center and a provincial key laboratory. We will invest a great amount of money

every year to cooperate with universities and research institutions. We set up an open fund of Zhejiang automotive safety technology laboratory to support the scientific research of young talents. And at the same time, we try to turn the excellent research achievements into product development. Since the establishment of the fund, the cumulative amount is more than RMB 2 million, which benefits more than 20 outstanding young teachers.

In 2016, we continued to cooperate with Hunan University, Beijing Jiaotong University, HeFei University of Technology, Tongji University and other colleges and universities. We lead the national project application of "New energy vehicle pilot specific subject" and have carried out joint researches with 15 national first-class research institutions and universities. Our plan is to raise capital of RMB 50 million by ourselves and finally achieve the demonstration run of semi-automatic driving as a batch.

Responsibility Practice

Hosting 13<sup>th</sup> International Forum of Automotive Traffic Safety(INFATS)

On 25<sup>th</sup>-26<sup>th</sup> November, 2016, Geely as the host, undertook the thirteenth INFATS seminar. INFATS was founded in 2000 and was one of China's most well-known international auto traffic safety technology conference, with the purpose of promoting the development and popularization of domestic and international traffic safety technologies. "Safety first" is also the core value and product strategy of Geely, we look forward to taking this conference as an opportunity to contribute to the development

of China's road traffic safety.

The forum gathered a large number of domestic and foreign vehicle manufacturers, parts suppliers, representatives from well-known universities and research institutes, delegates are up to more than 300 people. In the forum, representatives discussed deeply in groups about six major themes, which are road traffic safety and traffic accident in-depth investigation, vehicle safety technical standards and regulations, driving assistance and automatic driving, vehicle crashworthiness, occupant protection and injury biomechanics and vehicle safety testing technology.



Technology display of advanced safety test



Keynote speech by vice president Feng Qingfeng



Academic report by academican Wang Zhengguo

# Integrative Development with Environment

## Responsibility Focus

Environmental problems are related to the quality of life of each individual. The public's approval of automobile brand gradually changed from the appearance, power, security, and other traditional areas to the energy-saving and emission reduction and sustainable development in the operation of automobile enterprises. In 2016, we actively carried out the strategic layout of methanol automobile and built intelligent, green, and standardized factories through the ecological design of the product, promotion of sharing model, and emission control of product within life cycle.

Material recycling rate of Emgrand 1 Million reached 95.3%.

As of 2016, 1,008 vehicles of M100 methanol automobiles were put into domestic pilot cities.

Recycling rate of packaging materials reached more than 80%.



## Booming New Energy Vehicle Project

2016 is the first year of implementation of Blue Geely action plan, in which the new energy vehicle project was booming, a dozen of new energy models are under development according to the plan. We are committed to creating a modular pure electric vehicle specialized PMA platform, which covers A0, B-class cars and SUV.

New Emgrand EV, the first pure electric vehicle of Geely new energy strategy, the sale of which reached 17,181 vehicles in 2016. In 2016 China Car Performance Challenge (CCPC), a national car challenge co-sponsored by China Automotive Technology & Research Center, General Administration of Sport of China, and China Autosport and Motorsport Federation, pure electric Emgrand EV withstood the challenges of extreme hot, top speed, and extreme cold after the competition in Karamay, Dafeng, and Yakeshi, and won the Gold Award of range and economic performance. CCPC is the only national professional

competition of unmodified vehicle with volume production in China, which comprehensively tests the automotive performance and shows the real vehicle data. In 2016, Geely new energy participated in CCPC for the first time, and promoted the vehicle through the strength, which laid a solid foundation for the Blue Geely action plan.

On 26<sup>th</sup> October, 2016, Geely Holding Group launched a new commercial vehicle brand—Yuancheng, the product line of which covers new energy power system and pure electric and extended range truck and coach, and it focused on solutions to transportation in the fields of urban logistics distribution, public transportation, sanitation vehicles, etc. The launch of Geely's first pure electric light truck Yuancheng E200 and the first pure electric coach Yuancheng E12 marked that Geely's new energy strategy has taken a solid first step in the field of commercial vehicles, also brought change to the immature Chinese commercial vehicle market.



*To develop fuel methanol and methanol vehicles is a strategic choice to optimize the energy structure.*

—He Guangyuan, leader of expert group of methanol automobile pilot, the former minister of Ministry of Machine Building

## Success of Methanol Car

In addition to electric vehicles, based on China's resource endowments, we also focused on industrial transformation and upgrading and actively explored the methanol as a substitute for fuel to take the circular economy road. It can not only help to alleviate the national energy security issues, but also meets the requirements of national supply-side structural reform.

As China's first enterprise that carries out independent R&D of methanol vehicles, Geely has participated in two programs of 863 Program, obtained nearly 100 patents, developed 4 methanol power products and 14 full vehicle products since Geely started to develop it in 2005, which is currently the first as well as the only methanol automobile manufacture enterprise publicly announced by the Ministry of Industry and Information Technology of the PRC. We've overcome the technological difficulties of cold start, fuel supply, high temperature resistance and corrosion resistance of key parts, and others, and are developing high compression

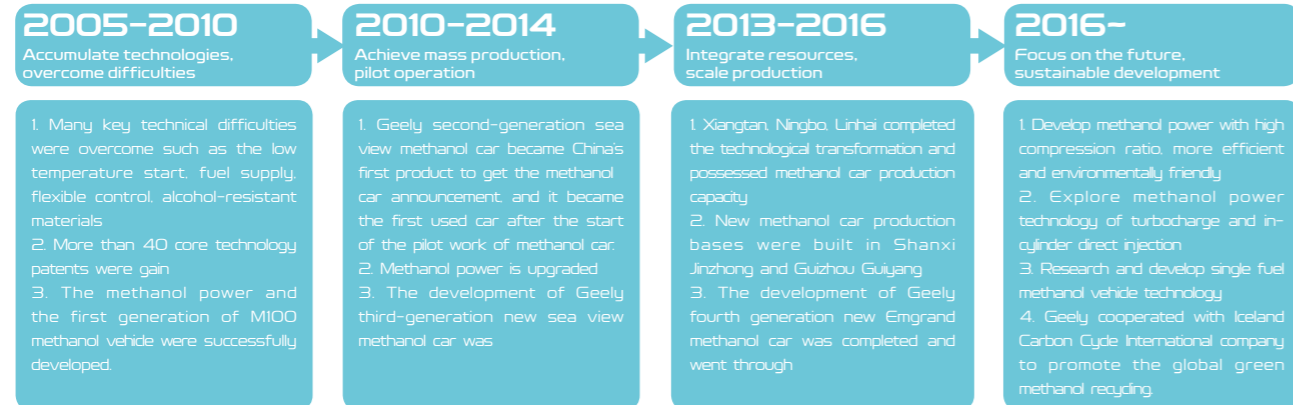
ratio of methanol power and exploring turbocharged and direct injection methanol power at present in order to make the products high efficient and environmentally friendly. The technology level of the full methanol automobile independently developed by Geely is leading in the world.

Since the first trial operation of Geely methanol automobile in Jinzhong, Shanxi in March 2013, 1,008 vehicles have been put into 8 pilot areas in Shanxi, Shanghai, Shaanxi, Guizhou, and Gansu. The total mileage of these vehicles is more than 0.13 billion km and the maximum mileage of a single vehicle is more than 300 thousand km, which runs smoothly. Jinzhong methanol vehicle pilot project has been jointly accepted by the Ministry of Industry and Information Technology of the PRC, National Development and Reform Commission, and Ministry of Science and Technology of the PRC in May 2016. From the vehicle inspection report, data collection, and the overall situation of operation, each index of Geely methanol automobile in economy,

environmental protection, safety, applicability, reliability, and other aspects meets or better than the national standard; conventional emissions meet the State V Standard, and the formaldehyde emissions is far lower than the standard of Ministry of Industry and Information Technology of the PRC, even lower than the US LEV2 Standard. At the same time, compared with gasoline vehicles, CNG vehicle is more powerful, and its energy-saving advantages are more obvious.

In July 2015, we invested USD 45.5 million dollars in Iceland's Carbon Recycling International to explore the synthesis and production technology of clean methanol fuel and promote the

use of M100 methanol fuel vehicles in China, Iceland and the rest of the world. Carbon Recycling International was established in 2006 and has quickly become the world leader in developing technology to produce renewable methanol fuel from clean energy and recycled CO2 emissions. Besides, it also operates the world's first renewable methanol plant. In February 2016, road test for six Emgrand methanol automobiles was carried out in Iceland for the first time. Carbon Recycling International also carried out further tests on Emgrand methanol automobiles by using Iceland's methanol energy in order to better assess the technological content of methanol vehicles.



## ACHIEVEMENT

Geely methanol vehicles launched the pilot cars in China's **5** provinces and cities in **8** pilot areas:

Total number is **1008**:

Total driving mileage is more than **0.13** billion kilometers and the operation is smooth.

The maximum mileage of a single car is more than **300,000** kilometers

### [The Third Party's Evaluation on Geely Methanol Automobile]

After two years of pilot, from the vehicle inspection report, data collection, and the overall situation of operation, the range of methanol automobiles filling up with methanol fuel is more than 320 km, the average methanol consumption per 100km is 15.3 L, and the alternative ratio of methanol and gasoline is lower than 1.7: 1; it meets the requirements of *Implementation Plan* in terms of economy, environmental protection, safety, applicability, and reliability, and achieves the expected effect. The overall operation of the pilot vehicles and the relevant security units are stable and normal.

——Shanxi Jinzhong City Methanol Automobile Pilot Work Acceptance

Compared with the traditional gasoline vehicles, methanol taxi has a better economy. At the current fuel price, for the taxi with the same displacement, the average energy consumption cost per 100km of methanol, CNG<sup>11</sup>, and gasoline taxi is 0.39 yuan, 0.45 yuan, and 0.7 yuan respectively. To assume that the taxi runs 500 km per day, the methanol taxi driver would earn 4,600 yuan more than gasoline taxi driver per month. What's more, methanol taxi is environmentally friendly. The combustion thermal efficiency of methanol engine is 8-10% higher than that of gasoline engine with the same model, and the PM2.5 emission of methanol automobile is 80% lower than that of traditional gasoline vehicles with the same displacement. At the same time, Geely also completed the whole process of service assurance work and established a complete methanol-related parts supporting services guarantee system. The 100 cars of methanol taxis put into Guiyang market in 2015 did not have any quality disputes in the whole year of operation, and the maintenance frequency of methanol-related parts is zero.

——Big data of one-year operation of Guiyang methanol taxi

The relevant vehicles involved in the methanol fuel did not show any problem. Overall, the methanol automobile showed excellent performance, and the suspension and driving experience were also great. We carefully recorded the fuel consumption, which was 12.3 L per 100km in suburban conditions, and 13.6 L per 100km in comprehensive suburban and urban conditions.

——Icelandic Automobile Association

Three tests were carried out on vehicle exhaust emissions, all of which were within the limits of the regulations. It also showed that the vehicle is in a good state.

——Icelandic Professional Testing and Certification Authority Frumherji ehf.

### Recycling Economy, Turning Waste into Wealth

Geely integrated the green and environmental concept into the entire life cycle of automotive products, including R&D, manufacture, sales, use, scrapping, etc. During the development phase, all automotive products were subject to the calculation of the recovery rate, and the vehicle's recyclability and recoverability rate were required to be higher than 85% and 95%, thus the resource utilization and environmental benefits of the product were enhanced.

In order to protect the human health and the natural environment

during the use and scrapping of the products, we required all suppliers of the vehicle to join the International Material Data System (IMDS) and the China Automotive Material Data System (CAMDS), and to declare the material components and hazardous substances of parts. At the same time, we implemented stringent sampling and audit system to strictly limit the content of lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers, asbestos fibers and other prohibited substances. By the chemical substances control of all the parts and materials, we care comprehensively of the customer's personal health and practice the green ideas.

Recovery rate	Motorcycle type				
	Emgrand 1 million	Vision X6	Boyou	Emgrand G5	Emgrand GL
Recyclability rate (%)	95.3	93.1	87.1	86.0	87.9
Recoverability rate (%)	97.8	97.1	97.2	95.9	95.7

Remarks:  
 1. The ELV (2000/53/EC) regulations January 1, 2015, the EU market Recyclable car utilization rate of not less than 95%, recycling rate of not less than 85%.  
 2. Automotive product recycling technology policy requirements since 2017, all domestic and imported vehicles to achieve recycling rate of about 95%, of which the material utilization rate of not less than 85%.

<sup>11</sup> Compressed Natural Gas



## New Model of Car Sharing

With the diversification of means of transport, car sharing business model came into being. We actively arranged time-sharing leasing, online tailored taxi-hailing, and other business in order to provide more convenient and professional transport services for people.

### 1. Cao Cao tailored taxi

In the domestic quietly emerging online car-hailing market, Geely is the first full vehicle brand to try it. On 25<sup>th</sup> November, 2015, Cao Cao tailored taxi, Geely's first Internet + transport service platform was in public beta testing in Ningbo, and on 1<sup>st</sup> January, 2016, it was launched officially in Binjiang District, Hangzhou. At present, all vehicle types that provides service are Emgrand EV pure electric, which is the industry's first compliance tailored taxi brand and established a new energy vehicle travel service standard.

Cao Cao tailored taxi has come into the market in Hangzhou, Ningbo, Qingdao, Nanjing, Chengdu and Xiamen, and will appear in Tianjin and Taiyuan in March of 2017. Caocao tailored car provides services including pick-up by appointment, document delivery, time-sharing leasing, special vehicle for tour guides and multi-language translation, etc. We set up "Cao Cao School" to train professional drivers. By daily operations, we collected big data of transport to guide the automotive R&D design and production, so as to provide users with safe, convenient, low-carbon, and high-quality transport experience.

In addition, as a special service of Cao Cao tailored taxi, "Cao Cao carbon bank" can record the amount of reduced carbon dioxide emissions of each customer by using Cao Cao tailored taxi. The users can trade emission reductions for products. We closely follow the construction pace of national carbon emissions trading market and advocate low-carbon green lifestyle.

In 2016, in the four cities with Cao Cao tailored taxi, like Hangzhou, Cao Cao tailored taxi ran 86.32 million km in total,

served 3,812,716 people in total, and the users cumulative carbon emission reduction was equivalent to planting 116,399 m<sup>2</sup> of the forest.

### 2. "Micro public transport", Green Transport

Geely's "Micro public transport" uses pure electric vehicles to provide users with a transport way of self-drive car rental within the operating area, which make the car back to the nature of transportation, and enrich and improve the urban public transport system.

Since the trial operation in September 2013, the "Micro public transport" project has been extended to more than 20 cities, such as Shanghai, Nanjing, Wuhan, Chengdu, Guangzhou, Changsha, Kunming, etc., and has put more than 33,000 vehicles into the cities. In addition to the basic public car, it also includes many other fields, for example, the micro-police vehicle, urban management service vehicle, news media interview vehicle, etc. Relevant data showed that sharing an electric car can replace 8-20 private cars, which can improve the traffic jam, parking difficulty, environmental pollution, energy crisis, and other problems to a certain extent.



## Clean Production and Green Upgrade

In accordance with the environmental policy of "building an environmental hazard-free green factory and producing eco-friendly humane cars", Geely implemented the responsibility of energy-saving emission reduction to each process of production and operation.

### 1. Scientific Planning of Factory Location Selection

All factories of Geely Automobile Group are located in the planned general industrial park, and all major construction projects obtained approvals of Environmental Impact Assessment as required. There is no any factory of Geely close to the special protection areas, such as nature reserves, scenic spots, and soil erosion emphasis prevention areas.

We used advanced environmental processing to deal with contaminants from various factories. We established sewage treatment station for the physical and biological treatment of waste water, dealt with waste gas in the use of absorption, burning and other ways, and collected and disposed hazardous waste in strict accordance with national laws and regulations. In order to ensure that the pollutants discharge reaches the standard and has no effect on the local water sources, thus protecting biological diversity.

In addition, we actively carried out a series activities of "Environment Open Day", which organized the surrounding residents and the public to assess the environmental performance of the factories. And through the media of Geely official website, Weibo, WeChat and others, we disclosed environmental information in real-time to accept the supervision of the public.

### 2. Implementation of Clean Production

We adhere to the technology upgrading and innovation,

### 3. Online Management of Energy Information

standardized factories, in 2016, we actively promoted the construction and certification of energy management system and increased the requirement on reducing greenhouse gas emissions. We initially realized the scientific measurement and online management of energy management through the pilot energy information management system in Linhai, Chengdu, and other bases.

In 2016, we also carried out a series of energy-saving projects. The project of 3.79MW photovoltaic power generation at the parking lot of Linhai Base and 5.7MW roof photovoltaic power generation of Hangzhou Bay Base officially achieved grid-connected and power generation, and the on-grid energy was nearly 10 million kilowatt hours, which was expected to reduce nearly 10 thousand tons of carbon emissions. At the same time, the street lamps of the factory were gradually changed to the LED lighting equipment, which can achieve more than 60% of energy conservation compared with the

constantly reduce the use of resources and waste emissions in production, and gradually strengthen the recycling of reclaimed water and waste heat.

#### Water-based Midcoat-Free Coating Process

Baoji Base innovatively used water-based midcoat-free coating process to reduce the spraying, drying, and polish in the process of midcoat, reduce the consumption of coating and energy consumption, and reduce VOC emissions simultaneously.

#### Coating VOC Treatment Process

Aiming at high-content exhaust gas of finishing varnish contained in VOC, the coating workshop of Zhangjiakou Base used zeolite rotary concentrator adsorption and incineration device to dispose and purify, and the removal rate of organic exhaust reached 98% or more. Hangzhou Bay, Chunxiao, and other bases also invested RMB 8 million respectively in exploring the application of "zeolite rotor + thermal oxidation VOC treatment process" consecutively.

#### Low-temperature Phosphating Process

Phosphating is an important quality control point in the coating process and a key component of bodywork corrosion resistant. The coating workshop of Beilun Base carried out technical transformation for low-temperature phosphating process, which made the phosphating bath more stable and the water consumption for cooling decrease by 10%. At the same time, a separate reuse system was established for the phosphate waste and waste water, thus effectively reducing the use of water resources and waste water emissions.

metal halide with the same illumination.

### 4.Reduction of Environmental Influence in Logistics Process

We have converted the carton as the packaging material of more than 3065 kinds of parts into recyclable plastic box, and the recycling rate of packaging materials in 2016 reached more than 80%.

Group completed the power-driven renovation project for forklift, comprehensively replaced the fuel oil forklift with electric forklift, and introduced automated distribution equipment. At the same time, Geely applied the internet automatic identification technology into the process of inflow and outflow of material and carried out goods collection and transportation, which reduced 10% -25% of the operating costs, shortened the supplier inventory from 5 days to 3 days, and comprehensively enhanced the users' degree of satisfaction with logistics process.



# Building a Harmonious Society

## Responsibility Focus

Geely is an enterprise full of social sentiments. We focused on education, poverty alleviation and public charity, invited employees, dealers, customers and more social resources to participate in, strived to create a harmonious atmosphere and passed Geely's warmth to more people in need.

By 2016, investment of higher education has reached to RMB 5.759 billion<sup>12</sup>

In 2016, the average employment rate of Geely's colleges and universities is 96.94%, the

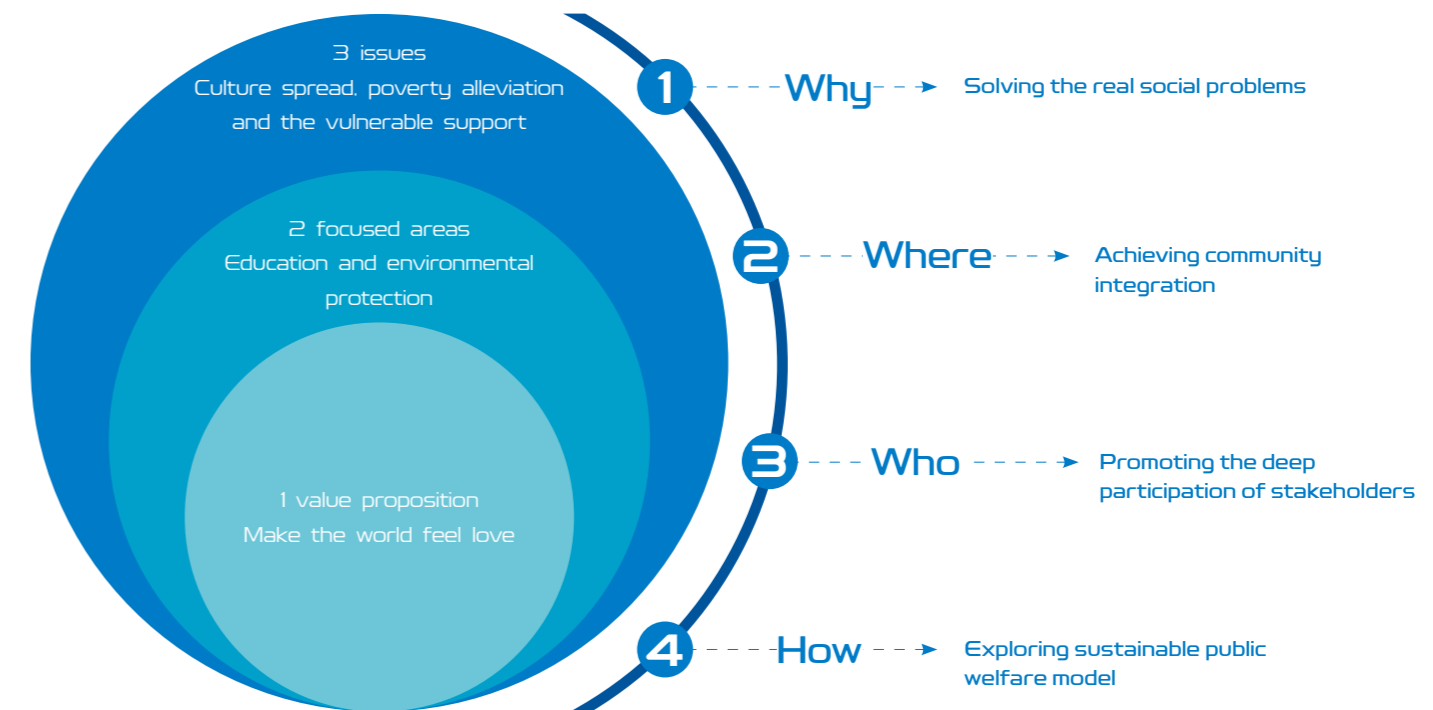
employer's satisfaction of the graduates is more than 95.33%

Reward with 12 Emgrand GS cars for China National Swimming Team in Rio Olympic Games

For 4 consecutive years, Geely helped "100 people charity walk project" of HanHong Love Charity Foundation and donated 105 SUVs of a total value of RMB 13 million

## Geely Public Welfare System

We use "Make the world feel love" for the public value proposition, and focus on education and environmental protection, while covering three public issues of culture spread, poverty alleviation and the vulnerable support. The four principles of public welfare were solving the real social problems, achieving community integration, promoting the deep participation of stakeholders and exploring sustainable public welfare model.



## Hundred Years' Policy Based on Education

Geely sees education as the cornerstone of national rejuvenation and social progress. From 1997 to the present, we have invested more than RMB 3 billion to build institutions of higher learning such as Beijing Geely College, Sanya University, Hunan Geely Automobile Vocational and Technical College and Sanya Polytechnic College. There are more than 40,000 students on campus and nearly ten thousand graduates go to work every year. At the same time, commissioned by the Society of Automotive Engineers of China, Geely invested in the establishment of the Zhejiang Automotive Engineering Institute, which is China's first graduate school to cultivate expertly vehicle engineering masters and doctors, and nearly 60 masters have graduated.

Our education is closely followed by the local economic and social development needs, and constantly adjusts and optimizes the professional structure of subjects, gradually it realized the three basic functions of personnel training, scientific research and social service. In 2016, RMB 4.474 million has been invested and

120 projects are in study. We actively explore the cooperation path of industrial-academic-research and cultivate applied talents with innovative and practical spirit. We have established long-term exchange and cooperation projects with more than ten international well-known universities such as Miami University and Niels Brock-Copenhagen Business College, in order to study the world's advanced educational ideas and teaching skills and cultivate professional and technical talents with international vision.

After years of exploration and practice, colleges and universities gradually formed the talents training model that is appropriate to their own development. At the meanwhile, we coordinate the government, enterprises and other high-quality resources to create lots of internship opportunities and employment channels for students. In 2016, the average employment rate of colleges and universities under Geely is 96.94%, and, according to a third party survey, the employer's satisfaction of graduates is more than 95.33%. We will continue to practice on the road of professional personnel training and make great efforts to become China's most respected private universities.

<sup>12</sup> Including the basic expenditure of schools, fixed assets and investment in construction projects, etc.

🚗 Responsibility Practice 🚗



*You represent originality and entrepreneurship.*

—Li Keqiang, premier of the state council

### Originality and entrepreneurship of Sanya University

With the spirit of "Innovation, Entrepreneurship and Value," Sanya University co-invested RMB 50 million with Sanya municipal government to build a college students incubator base in school, with the construction area of nearly 20,000 square meters. It provides a broader platform for student entrepreneurship projects and professional guidance.

As of June 2016, more than 1,400 graduates have carried out their own business in Sanya University. Among which LuXi creativity workshop project designed and developed blue and white porcelain, Li Shang costumes, the Yuanxiang hand-made bags, the Dongya pottery and other creative products, with the consideration of with Sanya's market demand and tourism and cultural industry. Premier Li Keqiang praised the exquisite works with the words "dazzling" and encouraged teachers and students to stick to the road of scientific and technological innovation.

*We could not have a better partner than Geely: not only are they an international technology company with tremendous vision and capability, they share our passion for innovation and education. Their support, both technical and financial, means we can now plan next year's record-breaking challenge with confidence. It also means we can take our STEM inspiration message to a vast new audience, which is great for science and engineering but also for promoting Great Britain.*

—Richard Noble, the founder of the Blood Hound Project.



### "Bloodhound", Showing the Power of Science and Technology

"Bloodhound" supersonic car project began in the UK, and 25,000 institutions get involved in the development of the project. It is an important driving force of the project to stimulate the interest of primary school students in the UK, and it is also expected to inspire young British people who are engaged in science, technology, engineering and mathematics to make more prominent achievements. The project has a wide range of influence in the world, followed by 5 billion viewers in over 200 countries, its roadshows have toured Europe, Canada,

South Africa, Brazil and India.

In September 2016, Geely became the main sponsor and official car partner of the UK "Bloodhound" supersonic car project. During the three-year partnership, we will provide technical and financial support to the project and provide high-performance vehicles for its activities that try to create the new record on the world's terrestrial speed limit in South Africa. Also, we will provide design and engineering support as needed and help the realization of its objectives and global promotion. By this project, we also hope to show great opportunities brought by learning science, technology, engineering and mathematics for young people in China and around the world.

*The partnership with Geely will help us to challenge the new land speed record and expand the boundaries of physics and human exploration. 1,000 miles per hour (equivalent to 1,600 km / h) is the fastest speed on land, whether it is a car or a plane.*

—Andy Green, British Royal Air Force commander, Officer of the Order of the British Empire.





### Rio Olympic Reward Program

At 2016 Rio Olympic Games, China National Swimming Team have been utilizing prehistorical powers collectively to harvest 1 gold medal, 2 silver medals and 3 copper medals. As a strategic partner of the National Swimming Team, we released the "Rio Olympic Reward Program" at the Beijing Auto Show on 25<sup>th</sup> April, 2016 to inspire Chinese swimmers to carry forward the struggle spirit of competition in the Rio Olympic Games. A national swimmers and their coaches who have won individual or collective medal at the Rio Olympic Games will receive a Geely Emgrand GS. Among them, the gold, silver and copper medal winners will receive the Emgrand GS champion version, the

Emgrand GS Zhenshang version and the Emgrand GS Lingshang version respectively. At this Olympic Games, five athletes and six coaches from the Chinese national swimming team were rewarded with a total of 12 Geely Emgrand GS cars. In addition to the incentive program, we also provide services for the training and competition of Chinese swimming team from aspects like competition car using and medical security. Choosing a strategic partnership with the national swimming team, not only because the national swimming team's unity and fighting spirit fits with Geely's brand spirit and connotation, but also the performance of national swimming team in the international arena coincides with the Geely Auto's vision of challenging positively the international first-class camp.



*Thanks to Geely and the warm-hearted people, it is everyone's concern that makes children from mountain areas can feel the warmth from the community, their growth cannot be separated from everyone's concern and the actual actions from public welfare.*

——Principal of Tianshui Caowang primary school

### Caring for People's Livelihood by Public Actions

We believe that as long as everyone gave a little love, the world will become more beautiful. On the road of spreading warmth, Geely never stops running.

#### 1. HOPE • Green runway fly sports dream

HOPE • Green runway rural teenager sports dream plan focuses on the improvement of physical quality of rural children and using that as the starting point. We mobilized Geely car owners, dealers, volunteers and public welfare organizations to participate in the promotion of physical education in poor areas. From 2014 to 2015, we have visited the 10 primary schools in Inner Mongolia, Yunnan, Shanxi, Gansu, Zhejiang, Shaanxi,

Guizhou, Ningxia, Hubei and Guangdong Province, donated sports facilities and brought a week of professional sports courses and a HOPE game.

In 2016, Geely HOPE • Green runway started again. We visited the Ludian Queluo primary school and Tianshui Caowang primary school together with dealers and Geely car owners, and donated a pair of sports shoes for each student, as well as the necessary life and school supplies. Besides, the cost of some sports shoes is from the public fund-raising activity called "Undertaking for love, sports shoes are flying" in Tencent donation platform, which was launched by Geely in September, 2015, and the amount of donations was RMB 24,912.35. The children wore red scarfs for the volunteers and the car owners and gave them gifts like illustrations that made of leaves and flowers personally to express their gratitude and love.

*It is the happiest day of the children that Geely HOPE • Green runway came to rural primary school. Volunteers not only brought new learning tools and supplies for the children here, but also enabled them to see the outside world and brought greater powers and dreams for children.*

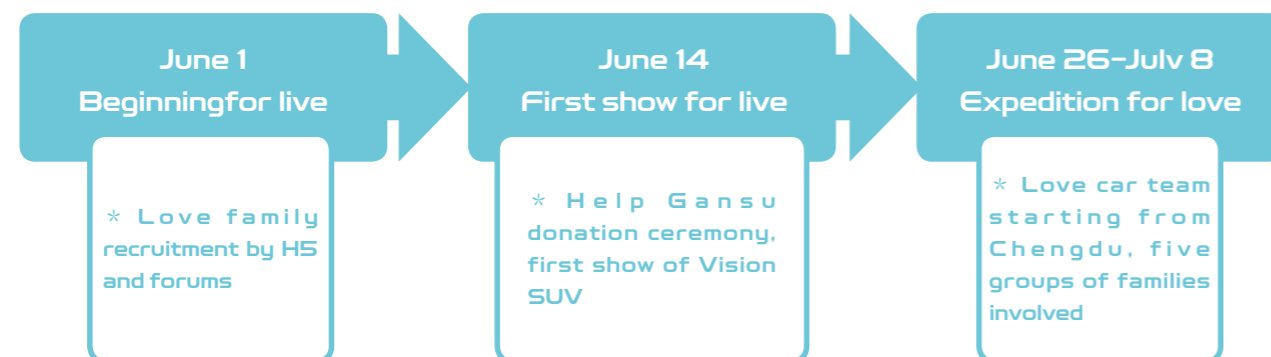
——Teacher of Yunnan Ludian Queluo primary school



## 2. Assistance of "Han Hong - 100 people help Gansu"

Since 2013, for 4 consecutive years, Geely helped "100 people charity walk project" of Han Hong Love Charity Foundation and donated 105 SUVs of a total value of RMB13 million.

In 2016, we went on an expedition again for the love and donated 30 Vision SUVs as medical special vehicles in Gansu Province. 39 groups of families and 144 warm-hearted car drivers applied for "Han Hong love - 100 people help Gansu" charity walk to undertake the task of helping people in straitened circumstances.



June 1  
Beginning for live

\* Love family recruitment by HS and forums

June 14  
First show for live

\* Help Gansu donation ceremony, first show of Vision SUV

June 26-July 8  
Expedition for love

\* Love car team starting from Chengdu, five groups of families involved



## 3. Hand in hand with "Bro Hong sleepwalking log"

In 11<sup>th</sup> April, 2016, Geely GC9 cooperated with the Chinese educator Yu Minhong to start a 10-day reality show "Bro Hong sleepwalking log", which is via 10 cities of Yichang, Jingzhou, Xiangyang, Shiyang, Ankang, Dazhou, Nanchong, Suining, Meishan, Ya'an. As the exclusive car, Geely GC9 finished a 2,000-kilometer dream tour. Yu Minhong drove with net friends by Geely GC9 to feel humanism of these cities in-depth, and dialogued with young students from the 10 cities. Moreover, they looked for

big dreams of small town people and concerned about the local environmental protection, rural education, left-behind children, college students' starting business back-home and other practical problems.

It is exactly based on over 10 days of intimate contact that Yu Minhong did not hesitate to buy a GC9 Executive Edition as his own car. In the future, Geely will join hands with more owners to help them realize their dreams and at the same time, make the whole society feel the warmth from Geely.

*People are living on the road, they learn new things by walking on the road, to find opportunities and reach a destination in dream.*

—Yu Minhong

# Performance Figures

Note: The data scope of ESG Key Performance Indicator applies to Geely Automobile Holdings Limited. (stock code of Hong Kong Stock Exchange:175<sup>1</sup>)

ESG Key Performance Indicator			
Categories of the Indicator	Unit	Data of 2015	Data of 2016
A Environment <sup>2</sup>			
Level A1: Emissions			
NOX emission <sup>3</sup>	ton	40.25	44.85
SO <sub>2</sub> emission	ton	25.18	8.28
NO <sub>x</sub> emission per unit of sales volume <sup>4</sup>	g/unit	78.91	58.56
SO <sub>2</sub> emission per unit of sales volume	g/unit	49.36	10.82
NMHC emission per unit of sales volume	g/unit	63.30	68.18
Xylene emission per unit of sales volume	g/unit	17.04	10.36
Waste water disposal	ton	594,633.2	1,019,593.0
Waste water reduction rate <sup>5</sup>	%	16.43	/
Waste water disposal per unit of sales volume	ton/unit	1.18	1.33
The number of significant spills <sup>6</sup>	ton	0	0
Hazardous waste handled per unit of sales volume	kg/unit	4.74	4.71
Rate of recycled use of solid waste	%	95.40	96.45
GHG emissions under Scope 1 <sup>7</sup>	tCO <sub>2</sub> e	N/A	75,971.95
GHG emissions under Scope 2 <sup>8</sup>	tCO <sub>2</sub> e	N/A	246,066.02
Reduced GHG emissions	tCO <sub>2</sub> e	N/A	12,822.31
Level A2: Usage of Resources			
Direct energy consumption	ton of standard coal	16,960.64	43,531.42
Indirect energy consumption	ton of standard coal	29,893.99	46,454.87
Steel consumption per unit of sales volume	kg/台	280.31	322.94
Paint consumption per unit of sales volume	kg/台	12.06	13.59
Total water consumption	ton	1,246,256	2,482,625
Water resource consumption per unit of sales volume	ton/unit	2.44	3.24
Energy conservation rate <sup>9</sup>	%	47.06	/
Water resource conservation rate <sup>10</sup>	%	26.73	/
Usage rate of recycled industrial water	%	97.50	97.55
Packaging material usage amount of the exported vehicle	ton	N/A	3,033
Packaging material usage amount of the engine	ton		1,529.5
Packaging material usage amount of the transmission	ton		25.5
Packing material usage amount of the exported vehicle per unit of sales volume	ton/unit		1,392.6
Packaging material usage amount of the engine per unit of sales volume	ton/unit		19.8
Packaging material usage amount of the transmission per unit of sales volume	ton/unit		8.1
Recycling rate of packaging material	%		80.57

B Society			
Employment and Labor Criteria			
Level B1: Employment			
Total no. of employees <sup>1</sup>	person	18,682	28,055
No. of retired employees	person	11	11
Total no. of employees turnover	person	3,261	4,368
No. of employees by gender			
Female	person	2,739	3,883
Male	person	15,943	24,172
No. and rates of employees by employment category			
Employees	person/%	15,026(80.4)	21,574(76.9)
Interns	person/%	3,282(17.6)	6,032(21.5)
Labor services	person/%	48(0.3)	45(0.1)
Reserved	person/%	320(1.7)	393(1.4)
Rehired and retirement	person/%	6(0)	11(0)
No. and rates of employees by age group			
Under 30 years old	person/%	12,184(65.2)	19,891(70.9)
31-50 years old	person/%	6,173(33.1)	7,771(27.7)
Above 50 years old	person/%	325(1.7)	393(1.4)
No. and rates of employees turnover by gender			
Female	person/%	392(12.0)	478(11.0)
Male	person/%	2,869(88.0)	3,890(89.0)
No. and rates of employee by age group			
Under 30 years old	person/%	2,532(77.6)	3,141(72.0)
31-50 years old	person/%	685(21.0)	1,186(27.1)
Above 50 years old	person/%	44(1.4)	41(0.9)
Level B2: Health and Safety of Employees			
No. of accidents	number	8	13
No. of work-related fatalities	number	0	0
Accident rates of severe injuries	‰	0.050	0.075
Accident rates of light injuries	‰	0.350	0.415
Incident no. of occupational disease	number	0	1
Rates of occupational disease	‰	0	0.037
Rates of work-related injuries	‰	0.40	0.49
Rates of absenteeism	‰	0.006	0.045
Reduced working days caused by work-related injuries	Day	299	279
Financial loss caused by accidents	RMB 10,000	109	177
Level B3: Training and Growth of Employees			
No. of training sessions	session	7,301	10,799
Total hours in training sessions <sup>2</sup>	hours	934,100	2,834,502
Percentage of training employees	%	100	100

Average training hours per employee	hours/person	50	66
Percentage of training employees by employee category			
Senior management	%	100	100
Middle management	%	100	100
Ordinary employees	%	100	100
Average training hours per employee by gender			
Female	hours/person	49.5	65.6
Male	hours/person	50.08	66.1
Average training hours per employee by employee category			
Senior management	hours/person	54	68
Middle management	hours/person	55	69
Ordinary employees	hours/person	46	65.5
Average training hours per employee by staff category			
Research	hours/person	50	67
Technology	hours/person	50	66
Administration	hours/person	48	65
Operation	hours/person	47	64.5
Operation and Management			
Level B6: Product Responsibility			
Percentage of products recycled for safety and health reasons <sup>13</sup>	%	0	0

Notes:

- The performance figures of Geely Automobile Holdings Limited don't include subsidiaries overseas.
- Environmental data is mainly collected from manufacturing bases, among which the Linhai base is relocated in 2015. The data in this part does not include that in Linhai base because it is not in official production.
- Data of Jinan base and Luqiao base is collected from the Monitoring Report of 2014. Jinan and Chunxiao bases are calculated as 150 days in half a year, and Jinan and Chengdu bases are calculated as eight hours in one shift. For the emission data of SO<sub>2</sub>, NO<sub>x</sub>, non-methane hydrocarbon and xylene in the year of 2016, Luqiao and Jinan bases are calculated as 8 hours in 1 shift, the others are calculated as 12 hours in 1.5 shifts, 300 days in production throughout the year.
- The production-marketing model of Geely Automobile Holdings Limited is producing according to sales prospects. Therefore we calculated related environmental performance figures on the base of sales volume.
- It is calculated according to the waste water disposal per unit of sales volume. Due to the newly-built production bases in 2016, the waste water disposal increased than that of 2015.
- There is no leakage of oil plants, fuels or dangerous chemicals during the production and transportation of key manufactures of Geely Automobile Holdings Limited in 2016.

- GHG emissions under Scope 1 include direct emissions from energy-consuming equipments such as incinerators and boilers in 10 companies of Ningbo, Jinan, Chengdu, Xiangtan, Jinzhong, Baoji, Luqiao and Linhai.
- GHG emissions under Scope 2 include indirect emissions from purchased electricity and steam in 10 companies of Ningbo, Jinan, Chengdu, Xiangtan, Jinzhong, Baoji, Luqiao and Linhai.
- It is calculated according to the energy consumption per unit of sales volume. Due to the newly-built production bases in 2016, the direct and indirect energy consumption increased than that of 2015.
- It is calculated according to the water consumption per unit of sales volume. Due to the newly-built production bases in 2016, the total water consumption increased than that of 2015.
- The average number of people of Geely Automobile Holdings Limited. (stock code of Hong Kong Stock Exchange:175 )
- Total hours in training sessions=Average hours in training sessions of A category employees\*number of A category employees + Average hours in training sessions of B category employee\*number of B category employee + Average hours in training sessions of C category employee\* number of C category employee.....
- There is no product recycled for safety and health reasons of Geely Automobile Holdings Limited in 2016.

Note: The data scope of G4 Key Performance Indicator is Geely Automobile Group

G4 Key Performance Indicator <sup>1</sup>				
Indicators	Unit	Annual data		
		2014	2015	2016
Producing High-quality Products for Customers				
Quality Indicator				
Malfunction rate per thousand (12MIS) <sup>2</sup>	‰	60	60	45
Public recall	time	0	1	3
IQS <sup>3</sup>	%	130	124	118
Data of Club Membership				
No. of club membership	person	153,622	330,173	519,371
Annual growth rate	%	9.9	115.0	57.3
No. of club activities organized	time	36	40	58
No. of club membership involved in activities	person	392,762	425,687	57,000
Data of Consumers' Degree of Satisfaction				
Total no. of complaints processed	case	3,986	3,807	25,987
Proportion of complaints processed	%	100	100	100

VOC control of new vehicle model

Item	VOC/ 单位: mg/m <sup>3</sup>							
	Benzene	Toluene	Ethyl benzene	Xylene	Styrene	Formaldehyde	Acetal	Acrolein
International limit	0.11	1.1	1.5	1.5	0.26	0.1	0.05	0.05
GC9	0.017	0.183	0.087	0.137	0.009	0.054	0.037	ND
Emgrand 1 million	0.029	0.176	0.043	0.127	0.008	0.013	0.033	ND
Vision X6	0.009	0.056	0.014	0.056	0.005	0.03	0.03	ND
Boyoue	0.01	0.053	0.009	0.026	0.003	0.04	0.04	ND
GS	0.011	0.242	0.030	0.104	0.011	0.027	0.043	ND
GL	0.012	0.668	0.031	0.055	0.012	0.074	0.044	ND

G4 Key Performance Indicator <sup>1</sup>				
Indicator	Unit	Annual data		
		2014	2015	2016
Respect people, grow people and make people happy				
Overall Conditions of Employees				
Total no. of employees	person	18,900	19,745	29,344
No. of retired employees	person	23	13	12
No. of employees turnover	person	4,428	4,357	5,268
No. of new employees	person	4,364	6,809	11,429
No. of disabled employees hired	person	0	0	0
No. of ethnic minorities employees	person	465	522	591
No. of employees in the highest governance body	person	25	30	31
No. of female employees in the highest governance body	person	4	4	4
No. of ethnic minorities employees in the highest governance body	person	0	1	1
No. of local senior executives hired	person	10	11	11
No. of fresh graduates hired	person	309	643	1,581
Percentage labor contract signed	%	100	100	100
Percentage of social security coverage	%	100	100	100
Percentage of health and medical records completed	%	100	100	100
No. of labor disputes complaints	number	10	11	22
Percentage of employees accepting assessment of performance and professional development at regular intervals	%	100	100	100
Proportion of employees in labor union	%	100	100	100
No. of team-building activities for employees	time	206	211	211
Total hours of team-building activities for employees	hours	1,058	1,066	1,069
Percentage of employees involved in activities	%	71	73	76
No. of employees by gender				
Female	person	3,685	2,914	3,539
Male	person	15,215	16,831	25,805
No. and rates of employees by employment category				
Employees	person /%	N/A	18,097 (91.7)	22,418 (76.4)
Interns	person /%	N/A	1,281 (6.5)	6,279 (21.4)
Labor services	person /%	N/A	19 (0.1)	29 (0.1)
Rehired after retirement	person /%	N/A	5 (0)	11 (0)

Reserved	person /%	N/A	343 (1.7)	607 (2.1)
No. and rates of employees by age group				
Under 30 years old	person /%	N/A	11,452 (58.0)	20,100 (68.5)
31-50 years old	person /%	N/A	7,898 (40.0)	8,804 (30.0)
Above 50 years old	person /%	N/A	395 (2.0)	440 (1.5)
No. and rates of new employees by age group				
Under 30 years old	person /%	N/A	4,122 (60.5)	8,533 (74.6)
31-50 years old	person /%	N/A	2,639 (38.8)	2,827 (24.7)
Above 50 years old	person /%	N/A	48 (0.7)	60 (0.7)
No. and rates of employees turnover by age group				
Under 30 years old	person /%	N/A	2,784 (63.9)	3,434 (65.2)
31-50 years old	person /%	N/A	1,502 (34.5)	1,775 (33.7)
Above 50 years old	person /%	N/A	71 (1.6)	59 (1.1)
No. and rates of employees turnover by gender				
Female	person /%	N/A	603 (13.8)	627 (11.9)
Male	person /%	N/A	3,754 (86.2)	4,641 (88.1)
Health and Safety of Employees				
NO. of accidents	number	5	8	14
No. of work-related fatalities	number	0	0	0
Accident rates of severe injuries	‰	0	0.10	0.11
Accident rates of light injuries	‰	0.25	0.35	0.40
Incident no. of occupational disease	number	0	0	0
Rates of occupational disease	‰	0	0	0
Rates of work-related injuries	‰	0.25	0.40	0.51
Rates of absenteeism	‰	0.001	0.006	0.056
Reduced working days caused by work-related injuries	days	53	299	415
Financial loss caused by accidents	RMB10,000	2.7	10.9	32.8
Training and Growth of Employees				
No. of training sessions	session	4,018	7,802	13,499
Total hours of training sessions organized	hours	690,118.00	1,009,273.15	4,063,108
Percentage of training employees	%	100	100	100
Percentage of training employees by employee category				
Senior management	%	N/A	100	100

Middle management	%	N/A	100	100
Ordinary management	%	N/A	100	100
Average training hours per employee by gender				
Female	hours/person	N/A	51.3	65.5
Male	hours/person	N/A	50.1	62.0
Average training hours per employee by employee category				
Senior management	hours/person	N/A	56.8	55.7
Middle management	hours/person	N/A	57.1	60.2
Ordinary management	hours/person	N/A	48.6	52.5
Average training hours per employee by staff category				
Research	hours/person	N/A	50.0	61.0
Technology	hours/person	N/A	50.0	57.0
Administration	hours/person	N/A	55.3	62.0
Operation	hours/person	N/A	47.2	50.0
Cooperate with partners to win-win				
No. of 4S Shops	number	589	532	637
No. of Dealers	number	751	686	920+
Growth rates of dealer no.	%	-21	-9	10
No. of dealer activities organized	time	6	6	331
Rates of dealers involved in activities	%	100	100	100
Activities' execution rates of dealers	%	N/A	N/A	95
Integrative development with environment <sup>4</sup>				
Investment of energy-saving technological transformation and environmental protection facilities	RMB 10,000	6,000	12,900	9,500
Completion rate of "Environmental impact evaluation" and "Three Parallels" implementation at new and expansion projects	%	100	100	100
Compliance emission rate of main pollutant <sup>5</sup>	%	100	100	100
Compliance emission rate of solid waste	%	100	100	100
Compliance emission rate of solid waste	%	100	100	100
Rate of environmental incidences and environmental issues complaints	%	0	0	0
Eco-friendly facilitates allocated and normal operations rate	%	100	100	100
Percentage of greenery coverage built by company	%	19.6	20.0	20.0
Amount of major fines due to violation of environmental regulations and laws	RMB 10,000	0	0	0

No. of non-economic penalties due to violation of environmental regulations and laws	time	0	0	0
NO <sub>x</sub> emission	ton	3.90	40.25	44.85
SO <sub>2</sub> emission	ton	4.35	25.18	8.28
Waste water disposal	ton	567,175.7	594,633.2	1,019,593.0
Weight of major leakage <sup>6</sup>	ton	0	0	0
Usage rate of recycled solid waste	%	95.00	95.40	96.45
Energy and resource consumption of full vehicles and powertrain				
Direct energy consumption	ton of coal	20,522.78	16,960.64	43,531.42
Indirect energy consumption	ton of coal	48,527.92	29,893.99	46,454.87
Total water consumption	ton	1,514,120	1,246,256	2,482,625
Usage rate of recycled industrial water	%	96.30	97.50	97.55
Building a harmonious society				
Data of education industry <sup>7</sup>				
Total investment of education	RMB 10,000	63,094.83	37,698.81	57,594.05
No. of students enrolled	person	8,609	8,449	8,664
No. of Graduates	person	7,810	8,469	8,253
Employment rate <sup>8</sup>	%	97.35%	92.12%	96.94%
No. of scientific research projects	number	105	101	120
Total investment in research funding	RMB 10,000	429.78	509.81	447.40

Note:

1. The data scope of ESG Indicator is Geely Automobile Holdings Limited, while that of G4 Indicator is Geely Automobile Group, so a figure of the same indicator is different;  
 2. 12MIS=incidence of maintenance and repair in produced and sold cars over 12 months / No. of cars produced and sold over 12 months \*1000;  
 3. IQS= Complaint incidence / No. of cars\*100;  
 4. Geely Automobile Group and Geely Automobile Holdings Limited, have the same data of the total amount in Building a harmonious society in 2016. The reason is that the scope of statistics up to now involves the main pollutant discharge unit, producing and manufacturing bases, doesn't include units like spare parts, marketing, research and development and administration. Data of energy and resource consumption of bases means data of the amount of pollutant discharge in manufacturing companies and bases, such as wastewater, xylene

and major leakage discharges and so on, including manufacturing companies and powertrain within the scope of bases.  
 5. Main pollution includes the total amount and intensity of NO<sub>x</sub>, SO<sub>x</sub>, POP (persistent organic pollutants), VOC (volatile organic compound), HAP (hazardous air pollutants), PM(particulate matter), industrial wastewater discharges, COD(chemical oxygen demand), SS(suspend solids), ammonia nitrogen, pH and so on;  
 6. There is no leakage of oil plants, fuels and hazardous chemicals in the production and transportation of main manufactures in Geely Automobile Group from 2014 to 2016;  
 7. Including only Beijing Geely College, Hunan Geely Automobile Vocational and Technical College, Sanya University and Sanya Polytechnic Vocational College, does not include Zhejiang Automotive Engineering Institute.  
 8. The average employment rate of Beijing Geely College, Hunan Geely Automobile Vocational and Technical College, Sanya University and Sanya Polytechnic Vocational College.

# Future Outlook >>



At the end of 2016, the Google AlphaGo upgraded version battled with various go masters, and made public attention focus on artificial intelligence once again with 60 unbeaten record. After a series of ordeals, such as questioning, arguing, enlightenment, following the trend and trial and error, "Car Networking", "Artificial Intelligence" and "Automatic Driving" will certainly lead the transformation of the automotive industry and re-build the relationship of people, cars and society.

The future cars will have wisdom and soul, and they'll start from the needs of people and give more pleasure. Of course, "The fundamental things apply", no matter how the intelligent cars develop, security is still the first core element. We will focus

on "Safety identification circle" concept, constantly expand the scope of active safety, explore the network information security, and intelligently monitor the condition of drivers. Meanwhile, we will give pedestrians more attentions so that vehicles become intelligent bodyguards for safe travel and realize the ultimate goal of "zero casualty".

From the beginning of late 1990s, the double pressures of energy supply and environmental pollution forced the major countries and regions to formulate more stringent energy saving and environmental laws and regulations, which promoted car manufacturers to produce more energy efficient and environmentally friendly vehicles. We strictly control the use of

materials within the vehicle by following the requirements of "Child-level interior" and "Forest-class air quality" and enhance the recycling of the materials. Besides, we continue to explore new energy power system and carry out lightweight research, and gradually realize zero emission. In the meantime, we are committed to promote the development of sharing economy by brand-new travel model like "Micro-bus" and "Caocao" tailored car.

Cars that had been invented for 130 years, are entering the great era of integration with the mobile Internet. In the future, cars are no longer "information islands", while intelligent connection will be achieved between cars and people, cars and cars, cars and mobile terminals and cars and infrastructure by the cloud services and big data exchange, and eventually the new business model emerged

at a historic moment. With the progressive realization of the driverless cars, human will be completely liberated from the car, and also cars will go beyond the scope of simple means of transport to be intelligent life partners.

Despite the continuous reshaping of the automotive industry, the fundamental need to address major social problems such as energy, environment, security, and congestion has not changed. Geely will continue to stimulate new productivity and re-position "Made in China," with more secure, more energy efficient, more environmentally friendly and more intelligent products, cooperated with more systematic, more innovative, more flexible and more efficient business model.

# Honors and Social Evaluations

- 1 Fortune 500 companies, top 500 enterprises of China
- 2 China Automotive Service Gold Wrench Award
- 3 The fifth "Zhejiang Charity Award" agency donation award
- 4 The First China Poverty Alleviation Forum "China Poverty Alleviation • Enterprise Contribution Award"
- 5 National private enterprise culture construction Top 30 business
- 6 Zhilian 2016 China's best employer of the year
- 7 2016 The fourth national die makers professional skills competition "Group Competition Excellence Award"
- 8 The fourth national automobile assembly workers professional skills finals "Group Competition prize"
- 9 NetEase Auto 2016 "Annual Chinese Car Brand"
- 10 Xinhua News Agency New Media Center 2016 "Annual Market Achievement Award"
- 11 People's Daily, China Economic Weekly "2016 China's Innovation Model"
- 12 Direct injection turbocharged 1.8TD second generation engine won the "China Heart" 2016 annual top ten engines
- 13 Geely Boyue won the "Best Controlled SUV of the year", "2016 Annual Safety Car (medium and large level SUV)", "The most popular new car of the year", "2016 TTA Annual Independent Models" and so on
- 14 Geely GC9 won the "2016 Xuanyuan Award", "Annual Mid-size Car" and other awards
- 15 Geely new Emgrand 2017 "1 million" 1.3T manual version won the C-ECAP Platinum Medal
- 16 Geely Emgrand EV won the "2016 China Production Performance Competition (CCPC) Endurance and Economic Performance Gold Award", "2016 Annual Green Pure Electric Car", "2016 Annual New Energy Vehicle Power System Gold Award" and other awards
- 17 Li Shufu, Chairman of Zhejiang Geely Holding Group, won the title of "The tenth People's Corporate Social Responsibility Award - Respectable people in past 10 years", "European Automobile News - Best Asian Senior Executive of the year"
- 18 Geely "SAP-based vehicle R&D product certification management project" won the CSUA Golden Dragon Award

## Evaluations

*The appearance design of Geely vehicles is increasingly magnificent. Take GC9 for example, it totally deserves the title of "China's most beautiful car". It is truly not easy for Geely to achieve rapid development under the difficult environment, while this is the results of the practice of the six flag spirit by all the "Geelyese", led by the chairman Li Shufu. Geely spirit is worthy of recognition.*

—Liu Huan, State Council Counselor

*Geely spent 10 years devoting themselves to the research and development of methanol cars, so that its technology has reached the international advanced level. At the same time, it helps to solve energy security problems and improve the environment.*

—He Guangyuan, Leader of methanol car pilot experts group, Ministry of Industry and Information Technology and the former State Ministry of Machinery Industry Minister

*The vehicles and the engines, researched and developed independently by Geely, have high performance. And because Geely mastered the R&D and production of auto core components, it achieves today's results. It is very correct for "Geelyese" to stick to the road of independent innovation.*

—Wang Guosheng, Secretary of the Qinghai province Party Committee

*Geely auto products, which are a milestone of the development of China's automobile industry, promoted overwhelmingly the Chinese auto brand entering into the high-end areas. Geely also has a good performance in the market, where it sells over 5,000 cars a month, and it's the first independent brand B-class car that entered this level of sales.*

—Judge of Xuanyuan Award Jury

*On the way of the 2,000 km dream tour, I personally drove Geely GC9. Whether from the design, power driving and the sense of high-class, or from the security level, the performance of GC9 makes me feel surprised. In my opinion, GC9 has been fully equipped with the hard power to challenge the joint venture cars in its class, and it even would win in many areas. For example, the appearance design and active safety equipment of GC9 has reached to the luxury car standards.*

—Yu Minhong, Founder of New Oriental

*I am an owner of Emgrand EV, after several months of driving and experiencing, I am satisfied with the comfort, endurance mileage and charging convenience of the Emgrand EV. Under my recommendation, a lot of friends and relatives have become the Emgrand EV owner as well.*

—Peng Jianguo, General Manager of State Grid Electric Car Company



Geely 3.0 time refined cars guaranteed the good quality and trustworthy reputation of Geely in terms of safety performance, design and product hardware, etc. At the same time, Geely self-driving travel and public welfare activities brought me a lot of feelings, and these activities helped a lot about the promotion of the brand influence.

——Sun Qibing, Emgrand BBS moderator of Autohome

For Geely Auto, Boyue is a remarkable strategic model, and one of the core sales models of our dealers' team as well. More and more people take a test drive of Boyue in the shop every day, and a lot of people even directly ordered the car. Boyue attracts consumers with excellent product force, while we will also use excellent service to repay consumers' trust for us.

——Fang Wenhai, General Manager of Hangzhou Vision 4S shop

Very grateful to Geely for giving me the opportunity to experience the car, I was a fan of Geely auto, and the owner of two Geely cars as well. From Emgrand to Boyue, I feel deeply about the excellent quality and handsome appearance of Geely auto. I am very satisfied with these two cars that I bought, and I would still select Geely when I want to change a car in the future.

——Li Pengju, Car Challenge Citizen

Since I was a child, I've got a dream of racing. Today I drove Emgrand racing car at a gallop in the circuit, so it is difficult to forget the delightful experience. In addition, Geely Emgrand racing experience camp also made me strengthen the driving safety awareness and enhance the driving skills during the experience.

——Cao Jiabin, Champion of "Mulan Elitist Match"

For me, Emgrand racing car is like a part of my body. It has strong power, accurate direction, stable chassis and it goes to any direction you want to go. I am very happy that I won the championship. The usual police work requires us to have a higher level of driving and it is very important to have an excellent car.

——Yang Baoquan, Champion of the fourth Police Racing Competition

# ESG&GRI Index

ESG Index			Chapter	Page
	Comply or explain	Recommended Disclosures		
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. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		Integrative Development with Environment	51-56
	KPI A11	The types of emissions and respective emissions data.		
	KPI A12	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		
	KPI A13	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		Performance Figures
	KPI A14	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).		
	KPI A15	Description of measures to mitigate emissions and results achieved.		Integrative Development with Environment
	KPI A16	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved.		56
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Integrative Development with Environment	52-56
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. per unit of production volume, per facility).		Performance Figures
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)		
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.		Integrative Development with Environment
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		56
	KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.		Performance Figures
				65
Aspect A3: The Environment and Natural Resources	General Disclosure : Policies on minimizing the issuer's significant impact on the environment and natural resources.			56
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Integrative Development with Environment	

Aspect B1: Employment	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.			Showing Respect, Achieving Success and Creating Happiness	40
		KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Figures	66
		KPI B1.2	Employee turnover rate by gender, age group and geographical region.		
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.			Showing Respect, Achieving Success and Creating Happiness	41
		KPI B2.1	Number and rate of work-related fatalities.	Performance Figures	66
		KPI B2.2	Lost days due to work injury.		
		KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Showing Respect, Achieving Success and Creating Happiness	41
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.			Showing Respect, Achieving Success and Creating Happiness	41-42
		KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Figures	66-67
		KPI B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Showing Respect, Achieving Success and Creating Happiness	40
		KPI B4.2	Description of steps taken to eliminate such practices when		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.			Win-win Cooperation with Partners	47-48
		KPI B5.1	Number of suppliers by geographical region.	N/A	N/A
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		

Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.			Making Refined Cars for Everyone	28-29 33-35
		KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance Figures	67
		KPI B6.2	Number of products and service related complaints received and how they are dealt with	Making Refined Cars for Everyone	35
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Win-win Cooperation with Partners	50
		KPI B6.4	Description of quality assurance process and recall procedures.	Making Refined Cars for Everyone	32-34
		KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Making Refined Cars for Everyone	35
Aspect B7: Anticorruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Responsible Business Operations	21
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.			Building a Harmonious Society	57-64
		KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	N/A	N/A
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		

# GRI Index

Legend: Under the Disclosure column, ● Full Disclosure ○ Partial Disclosure ○ No Disclosure N/A Not Applicable

Guidelines	Guideline Descriptions	Page	Chapter	Disclosure
G4-1	Provide a statement from the most senior decision-maker of the organization.	03-04	30 Extraordinary and Eventful Years	●
G4-2	Provide a description of key impacts, risks, and opportunities.	05-06 19-21	Interconnection and Opening, an Amazing New Brand Released to the World Responsible Business Operations	●
G4-3	Report the name of the organization.	01-02	About the Report	●
G4-4	Report the primary brands, products, and services.	12	Geely Overview	●
G4-5	Report the location of the organization's headquarters.	12	Geely Overview	●
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	12-14	Geely Overview	●
G4-7	Report the nature of ownership and legal form.	12	Geely Overview	●
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	12-14	Geely Overview	●
G4-9	Report the scale of the organization.	12	Geely Overview	●
G4-10	Workforce statistics by category.	69-70	Performance Figures	●
G4-11	Percentage of workforce covered by collective bargaining agreements.			N/A
G4-12	Description of the organization's supply chain.	48	Win-win Cooperation with Partners	●
G4-13	Explanation of any significant changes during the reporting period regarding size, structure, ownership, or supply chain.	12 48	Geely Overview Win-win Cooperation with Partners	●
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	21 34 41	Responsible Business Operations Making Refined Cars for Everyone Showing Respect, Achieving Success and Creating Happiness	●
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	02	About the Report	●
G4-16	Memberships of associations and national or international advocacy organizations that the organization views the membership as strategic.	50	Win-win Cooperation with Partners	●
G4-17	List of entities included in the organization's consolidated financial statements. Report whether any entity included is not covered by the report.	02 68	About the Report Performance Figures	●
G4-18	Process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	24-25	Responsible Business Operations	●
G4-19	List all the material Aspects identified in the process for defining report content.	25	Responsible Business Operations	●

G4-20	For each material Aspect, report the Aspect Boundary within the organization.	25	Responsible Business Operations	●
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	25	Responsible Business Operations	●
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.			N/A
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.			N/A
G4-24	List of stakeholder groups engaged by the organization.	26	Responsible Business Operations	●
G4-25	Basis for identification and selection of stakeholders.	26	Responsible Business Operations	●
G4-26	Approach to stakeholder engagement, including frequency of engagement by type.	26	Responsible Business Operations	●
G4-27	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded.	26	Responsible Business Operations	●
G4-28	Reporting period for information provided.	02	About the Report	●
G4-29	Date of most recent previous report.	02	About the Report	●
G4-30	Reporting cycle.	02	About the Report	●
G4-31	Contact point for questions regarding the report or its contents.	87	Reader Feedback	●
G4-32	Report the "in accordance" option the organization has chosen, and the GRI Content Index. Report the reference to the External Assurance Report.			N/A
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report, the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance.			N/A
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental, and social impacts.	20	Responsible Business Operations	●
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	24-25	Responsible Business Operations	●
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	24	Responsible Business Operations	●
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	24-25	Responsible Business Operations	●
G4-38	Report the composition of the highest governance body and its committees by category.	24	Responsible Business Operations	●
G4-39	Report whether the Chair of the highest governance body is also an executive officer.			○
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.			○
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	26	Responsible Business Operations	●
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.			○
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.			○
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics and actions taken in response to evaluation.			○
G4-45	Report the highest governance body's role and whether stakeholder consultation is used in the identification and management of economic, environmental and social impacts, risks, and opportunities.	24-26	Responsible Business Operations	●
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.			○

G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.			○
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	24	Responsible Business Operations	●
G4-49	Report the process for communicating critical concerns to the highest governance body.	24-25	Responsible Business Operations	●
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	24-25	Responsible Business Operations	●
G4-51	Report the remuneration policies for the highest governance body and senior executives and how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.			○
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.			○
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	40 43	Showing Respect, Achieving Success and Creating Happiness	●
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.			○
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.			○
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	15-16 22-23	Geely Overview Responsible Business Operations	●
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	21	Responsible Business Operations	●
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	21	Responsible Business Operations	●
G4-EC1	Direct economic value generated and distributed.	11-12	Geely Overview	●
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	51-55	Integrative Development with Environment	●
G4-EC3	Coverage of the organization's defined benefit plan obligations	40 43	Showing Respect, Achieving Success and Creating Happiness	●
G4-EC4	Report financial assistance received from government.			○
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.			○
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	71	Performance Figures	●
G4-EC7	Development and impact of infrastructure investments and services supported.	07-10 12-14 56	"JI SHI YU", a Targeted Poverty Alleviation Program Geely Overview Integrative Development with Environment	●
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	07-10 57-64	"JI SHI YU", a Targeted Poverty Alleviation Program Building a Harmonious Society	●
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.			○
G4-EN1	Materials used by weight or volume.	71-72	Performance Figures	●
G4-EN2	Percentage of materials used that are recycled input materials.	54	Integrative Development with Environment	●
G4-EN3	Energy consumption within the organization.	72	Performance Figures	●

G4-EN4	Energy consumption outside of the organization.			○
G4-EN5	Energy intensity.			○
G4-EN6	Reduction of energy consumption.			○
G4-EN7	Reductions in energy requirements of products and services.	51-56	Integrative Development with Environment	●
G4-EN8	Total water withdrawal by source.	72	Performance Figures	●
G4-EN9	Water sources significantly affected by withdrawal of water.			N/A
G4-EN10	Percentage and total volume of water recycled and reused.	72	Performance Figures	●
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	56	Integrative Development with Environment	●
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.			N/A
G4-EN13	Habitats protected or restored.			N/A
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.			N/A
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).			○
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).			○
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).			○
G4-EN18	Greenhouse gas (GHG) emissions intensity.			○
G4-EN19	Reduction of greenhouse gas (GHG) emissions.			○
G4-EN20	Emissions of ozone-depleting substances (ODS).			N/A
G4-EN21	NOX, SOX, and other significant air emissions.	71-72	Performance Figures	●
G4-EN22	EN22 Total water discharge by quality and destination.	72	Performance Figures	●
G4-EN23	Total weight of waste by type and disposal method.	71-72	Performance Figures	●
G4-EN24	Total number and volume of significant spills.	72	Performance Figures	●
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.			N/A
G4-EN26	Identify, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	56	Integrative Development with Environment	●
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	51-56	Integrative Development with Environment	●
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	57	Integrative Development with Environment	●
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	71-72	Performance Figures	●
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations and transporting members of the workforce.	56	Integrative Development with Environment	●
G4-EN31	Total environmental protection expenditures and investments by type	56 71	Integrative Development with Environment Performance Figures	●

G4-EN32	Percentage of new suppliers that were screened using environmental criteria			○
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	48	Win-win Cooperation with Partners	●
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	71	Performance Figures	●
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	69-70	Performance Figures	●
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.			N/A
G4-LA3	Return to work and retention rates after parental leave, by gender.			○
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.			○
G4-LA5	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs.			○
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	70	Performance Figures	●
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	41 70	Showing Respect, Achieving Success and Creating Happiness Performance Figures	●
G4-LA8	Health and safety topics covered in formal agreements with trade unions.			○
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	70-71	Performance Figures	●
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	41-42	Showing Respect, Achieving Success and Creating Happiness	●
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	69	Performance Figures	●
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	69-70	Performance Figures	●
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.			○
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.			○
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.			○
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.			○
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.			N/A
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.			N/A
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	40	Showing Respect, Achieving Success and Creating Happiness	●
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.			N/A
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.			N/A
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.			N/A
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.			N/A

G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.			N/A
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.			N/A
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.			N/A
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.			N/A
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.			N/A
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.			○
G4-SO2	Operations with significant actual or potential negative impacts on local communities.			N/A
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	21	Responsible Business Operations	●
G4-SO4	Communication and training on anticorruption policies and procedures.	21	Responsible Business Operations	●
G4-SO5	Confirmed incidents of corruption and actions taken.			N/A
G4-SO6	Total value of political contributions by country and recipient/beneficiary.			N/A
G4-SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.			N/A
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	72	Performance Figures	●
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.			○
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.			○
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.			○
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	28-30 33-34	Making Refined Cars for Everyone	●
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.			N/A
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.			○
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.			N/A
G4-PR5	Results of surveys measuring customer satisfaction.	33	Making Refined Cars for Everyone	●
G4-PR6	Sale of banned or disputed products.			N/A
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.			N/A
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.			N/A
G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.			N/A

# Reader Feedback

## Dear Readers:

Thank you for reading “2016 Zhejiang Geely Holding Group Corporate Social Responsibility Report”. Unintentional flaws and omissions may have been inevitable in the process of writing this report and we would very much appreciate your comments and suggestions.

Thank you!

Geely Holding Group

May, 2016

Name:		Company:			
Contact Number:		Email:			
Your assessment of this report:		Very good	Good	Fair	Poor
1	Do you think the structure of this report is acceptable?				
2	Are you able to understand the company's responsibility principles and practical highlights through this report?				
3	Do you think this report is reader-friendly?				
4	Do you think this report's content and layout are acceptable?				
5	What's your overall assessment of this report?				

Your suggestions for 2015 Zhejiang Geely Holding Group Corporate Social Responsibility Report:

Your suggestions for Geely Holding Group's corporate social responsibility efforts:

You can email the above form to [ywf@geely.com](mailto:ywf@geely.com), or fax it to +86 571 28097799-8221.

We promise to take your comments and suggestions into consideration and not disclose the above information to any third party.

You can also contact us through the following channels:

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