



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

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 1268

# 2024

## Environmental, Social and Governance Report



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

### Introduction

This is the annual Environmental, Social and Governance Report (“**ESG Report**”) issued by China MeiDong Auto Holdings Limited (the “**Group**”, “**MeiDong Auto**” or “**we**”), which aims to present the Group’s environmental, social and governance management policies, practices and achievements in 2024.

### Basis of Preparation

This report has been prepared in accordance with Appendix C2 “Environmental, Social and Governance Reporting Code” of the Listing Rules of the Hong Kong Stock Exchange. The report outlines our key ESG performance in the areas of environmental protection, employee employment and labour practices, corporate governance, and community operations and contributions.

### Reporting Principles

We have complied with the “mandatory disclosure” and “comply or explain” provisions of the Environmental, Social and Governance Reporting Code in preparing this report. The Group has given due consideration to the following reporting principles to ensure the quality of the information disclosed:

Materiality:	Balance:
We determine the main ESG issues through materiality assessment, and the related processes and results are identified, evaluated, reviewed, and confirmed by management, and reviewed by the Board.	The disclosed ESG performance data is fair and just, providing a full description of our achievements during the reporting period and future improvement potential.
Consistency:	Quantitative:
ESG performance data from previous years is calculated using consistent methods to enable effective year-on-year comparisons. Any changes in calculation methods are explained.	Quantitative disclosure of key performance indicators with historical data allows for the evaluation of the benefits derived from ESG policies and management measures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Reporting Scope and Boundary

This report discloses the Group's management approach, initiatives and performance in relation to environmental, social and governance for the period from 1 January 2024 to 31 December 2024 (referred to as the “**reporting period**” or the “**Year**”).

We adhere to the “Operational Principle” by disclosing the significant environmental and social impacts resulting from our operations in the PRC. This report specifically highlights the 4S dealership shop in the PRC, which represents the largest operation within the Group. In 2024, our reporting scope continued to encompass all of the dealership shops in China that fall within the defined scope, reflecting our ongoing expansion efforts and emphasis on electric vehicles. In 2024, we further updated the Group's ESG indicator base to drive improved accountability and reliability. For more details, please refer to the relevant sections of the Group's 2024 annual report.

### Access and Response to the Report

You can download the Chinese and English versions of this report from the website of the Stock Exchange at <http://www.hkexnews.hk> and the official website of the Group. This report is published in both Chinese and English. In case of any discrepancies in understanding between the two texts, the English version shall prevail. We welcome and value feedback from stakeholders to continuously improve our ESG management and performance. Please feel free to share your views and thoughts with us through our official website at any time.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### STATEMENT OF THE BOARD

The Board of the Group bears full responsibility for the Group's environmental, social, and governance strategies and reporting. It is tasked with assessing and determining the risks related to the Group's environmental, social, and governance matters, ensuring the effective operation of the Group's ESG risk management and internal control systems.

As the highest decision-making body, the Board maintains comprehensive and continuous focus on the Group's environmental, social, and governance issues, fulfills its duties by evaluating and defining relevant ESG risks of the Group. At the beginning of each year, it approves plans for related topics, and every quarter, it reviews reports on the Group's operational performance and progress on significant matters during that period. This includes conducting reviews and in-depth evaluations of ESG issues, continuously improving management efficiency and customer experience, and supporting the enhancement of corporate efficiency.

To establish effective oversight and accountability for ESG-related issues, the Group established an ESG committee in February 2022. This committee comprises the CEO and a senior operations manager, with the CEO serving as the committee's chairman. The primary objective of the committee is to provide support to the Board and oversee management in ensuring the Group's sustainable operations and growth. This involves maintaining and enhancing the Group's economic, environmental, social, and people impact in the long term, as well as assessing sustainability risks. The ESG committee holds the responsibility of reviewing, endorsing, and reporting on the Group's sustainability standards and goals to the Board. They also oversee the development of Group-level strategies, policies, and practices concerning sustainability matters, aiming to achieve the established standards and goals.

Given the complex and ever-changing external environment and the Group's own development, the Group actively communicates with various stakeholders to clarify key priorities for the year. In daily operations, it focuses on reviewing and improving performance on the aforementioned issues, managing targets accordingly, and better integrating environmental and social principles into the Group's business development, thereby supporting the steady progress of the Group's environmental and social sustainability. The Board fully recognizes the importance of effective sustainable development practices and actively incorporates the ESG framework into key business decisions at the Board level. The Board is responsible for formulating and updating the Group's ESG management policies, vision, and long-term strategic goals, as well as reporting and management approaches to monitor ESG issues, holding ultimate accountability. To establish a robust governance structure, department heads and senior management collaborate with the Board to jointly oversee the Group's sustainable development and implement strategies related to sustainability. The Board is responsible for regularly assessing and identifying ESG-related risks, ensuring the implementation of effective and appropriate ESG risk management and internal control systems across the organization.

The Board holds regular meetings to discuss and evaluate the effectiveness of risk and internal control systems, and tracks progress toward achieving relevant ESG goals. It systematically identifies and assesses key issues in the Group's operations that significantly impact environmental, social, and governance factors, and analyzes potential ESG risks and business opportunities arising from these factors in business operations. By establishing a sound and effective ESG governance framework, the Group aims to promote the long-term sustainable development of its business and meet stakeholder expectations. Moving forward, the Group will continue to refine its ESG management system, advance sustainable development, and create greater value for shareholders, customers, and society.

*Chairman of the Board*  
March 2025

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### I. COMPLIANCE MANAGEMENT AND HONEST OPERATION

#### Corporate Governance

While pursuing economic benefits, MeiDong Auto integrates the concept of sustainable development into all aspects of its operations by formulating and refining visions, policies and measures related to environmental and social domains, continuously enhancing its corporate governance standards. The Group adheres to the Law of The People's Republic of China against Unfair Competition and the Anti-Monopoly Law of the People's Republic of China, encourages and protects fair competition, curbs unfair competitive practices, prevents market monopolies, and safeguards the legitimate rights and interests of operators and consumers. Additionally, we embed risk management processes throughout all stages of management and operations, and improves mechanisms to control various risks.

#### Business of the Group

The Group pursues a balanced brand expansion strategy centered on mid-to-high-end and luxury vehicles. Leveraging the opportunities presented by China's urbanization, the Group actively expands into the automotive consumer markets of small and medium-sized cities in China's second-, third-, and fourth-tier regions, particularly in affluent Southeastern China markets such as Guangdong, Fujian, Hunan and Hubei.

As of 31 December 2024, the Group operates 78 outlets across 12 provinces and 3 of the direct-administered municipalities nationwide. The Group primarily deals in luxury and mid-to-high-end brands, including Porsche, BMW, BMW Mini, Lexus, Tesla and Toyota.

The Company has established and promotes a corporate culture of "customer first", "team growth" and "pursuit of excellence". It has developed and operates a data-driven PDCA operational management system, aiming to meet the comprehensive and diverse needs of Chinese automotive consumers, including new and used car sales, automotive accessories, vehicle maintenance and various value-added services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Anti-corruption and Business Ethics

The Group steadfastly upholds the principle of honest operation, strictly complies with relevant laws and regulations in its operating regions, such as the Law of The People's Republic of China against Unfair Competition and the Company Law of the People's Republic of China. It competes fairly, continuously strengthens its compliance system, and maintains a market environment of fair competition. This ensures that Group's operations meet legal and regulatory requirements while preventing various compliance risks.

The Group has established policies such as Responsibilities and Rewards/Penalties for Management Regarding Power Grid Behavior and Power Grid Practice Regulations. It takes a firm stance against employees violating laws and regulations, engaging in soliciting or accepting bribes, or using their positions to harm the Group's interests, thereby ensuring a fair and just income environment and a clean corporate culture. Our policies clearly outline expected codes of conducts for all employees, prohibiting kickbacks, partial contract payments or "soft dollar" transactions, fostering a responsible work environment.

We prioritize the development of an integrity culture, with the internal audit department overseeing anti-corruption and anti-fraud efforts. We actively promote the establishment and implementation of systems related to business ethics, including anti-corruption and anti-bribery measures. All new employees are required to sign confidentiality and integrity agreements to enhance their awareness of ethical conduct.

We continuously strengthen policies related to internal monitoring processes and provide comprehensive training to ensure employees are informed about the latest regulations. In 2024, the Group conducted five anti-corruption training sessions for employees and two for directors, achieving 100% coverage of anti-corruption training for both directors and employees. The internal audit department compiles relevant case studies and distributes them to all stores, requiring general managers to educate employees about these cases. New employees are also required to undergo training on these cases and power grid regulations.

### Risk Management

MeiDong Auto continuously enhances the Group's risk management processes and improves its governance structure, and has developed a more adept capability to handle and monitor corporate risks, including climate-related risks. The members of the Board play a critical role in implementing and overseeing internal control systems and risk management functions. We have standardized the Board's risk management processes and regularly evaluate their effectiveness. The Group's senior management and internal audit department conduct periodic assessments to measure the effectiveness of these systems. The audit department is responsible for risk control management, regularly assessing its effectiveness and updating management approaches in different quarters to meet the Group's risk management needs. We consistently monitor changes in internal and external environmental information related to our business and management scope, and form and periodically update a risk information database.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Stakeholder Engagement

Through regular stakeholder surveys and open communication channels, the Group periodically collects opinions from all parties to ensure it meets the expectations of shareholders, customers, employees and society. The stakeholders in the Group's environmental, social, and governance efforts include both internal and external parties, with key stakeholders comprising internal personnel, suppliers, customers, shareholders and investors, government entities, and communities in the regions where we operate.

MeiDong Auto values the opinions of all stakeholders and has established a normalized communication mechanism. Through diverse communication and engagement methods, we promptly understand the expectations and requirements of stakeholders. We have developed and opened relevant channels for communication and interaction with various stakeholder groups. Moving forward, we will further refine regular communication with stakeholders to identify potential risks and opportunities the Group may face during its development (including climate risk management and target setting), and take effective measures to respond to stakeholders' expectations and demands, driving continuous improvement in ESG management efforts. When determining the priorities of our sustainable development direction, we fully consider the valuable input from all parties to ensure informed decision-making.

Stakeholders	Issues of concern	Communication and response
Government and regulatory bodies	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>Integrity and anti-corruption</li> <li>Response to national policy</li> </ul>	<ul style="list-style-type: none"> <li>Actively follow public policies</li> <li>Government-enterprise seminars</li> <li>Accept supervision and check-ups</li> <li>Regular information report</li> <li>Accept assessment and supervision</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Transparency of information</li> <li>Business strategy and financial performance</li> <li>Protection of shareholders' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>Increased disclosure of information</li> <li>Annual General Meeting</li> <li>Investor research and reception</li> <li>Email and telecommunication</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee remuneration and benefits</li> <li>Employee health and safety</li> <li>Training and development</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Team building activities</li> <li>Employee opinion survey</li> <li>Feedback on townhall meetings</li> <li>Group communication platform</li> </ul>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Issues of concern	Communication and response
Customers	<ul style="list-style-type: none"> <li>• Real-time services</li> <li>• Information security and privacy protection</li> <li>• Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Announcement of the Group</li> <li>• Timely communication</li> <li>• Conduct regular customer satisfaction surveys</li> <li>• Complaint hotline</li> <li>• Telephone</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Responsible supply chain</li> <li>• Win-win cooperation</li> <li>• Industry cooperation and development</li> <li>• Compliance with business ethics and laws and regulations</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Enter into cooperation agreements</li> <li>• Publication of supplier management rules</li> <li>• Contract negotiation</li> <li>• Daily business communication</li> <li>• Enhance information disclosures</li> <li>• Telephone, WeChat, or emails</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Industry cooperation and development</li> <li>• Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Group website and social media</li> <li>• Organise events</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Public welfare activities</li> <li>• Community development</li> </ul>	<ul style="list-style-type: none"> <li>• Regular visits and exchanges</li> <li>• Social activities</li> </ul>

In 2024, the Group participated in industry forum meetings organized by manufacturers or local business associations from time to time, yielding fruitful results.

### Assessment of Material Issues

We acknowledge the significance of identifying and addressing sustainable development concerns. By engaging in stakeholder communications and conducting thorough investigations, we gather valuable insights and feedback from shareholders, governments, employees, customers, and other stakeholders. To gain a deeper and more accurate understanding of the expectations and demands of stakeholders, we evaluate the Group's sustainability efforts from the perspective of various stakeholders. This helps the Group clarify issues of significance to both our business and stakeholders, manage these material issues specifically, and prioritize their disclosure in the report. Through this process, we can identify key ESG issues and designate them as priorities. In this report, we disclose the most significant issues identified and will continue to strive for ongoing improvements in our sustainable management practices. The Group has identified the following material topics as the focal points for our efforts.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### List of material topics of Meidong Auto in 2024

Pillar	Material topics	Definition	Response in this report
Environmental	Opportunities for Clean Technology	The Group's strategy for clean technology innovation capacity, strategic development initiatives, and revenue generated from clean energy and technologies.	Response to Climate Change
Environmental	Product Carbon Footprint	The Group's strategy over carbon intensity of their products and their ability to reduce the carbon footprint in their supply chains or in the use of their products and services.	Response to Climate Change
Environmental	Use of Resources	The Group's management approach for energy (including fuel and electricity) and resources (water and packaging materials) consumed during maintenance and shipping.	Efficient Use of Resources
Social	Labour Management	The Group's policy and control in terms of relationship between management and labour, the strength of worker protections, and their employee engagement efforts.	Employment and Labour Practices

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Pillar	Material topics	Definition	Response in this report
Social	Customer Service	The Group's policy and control in terms of customer service such as after-sales service, response to complaints and customer satisfaction.	Improving Customer Experience
Social	Privacy and Data Security	The Group's policy and control in terms of data protection, information system security and compliance to latest regulation of personal information.	Protecting Customer Privacy
Social	Supply Chain Management	The Group's policy and control in terms of green and responsible supply chain management.	Supply Chain Compliance Management
Social	Health and Safety	The Group's policy and control in terms of occupational health and safety of working environment.	Occupational Health and Safety
Governance	Corporate Governance	The Group's policy and control in terms of governance of ESG related issue and anti-corruption risk.	Compliance Management and Honest Operation

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### II. ENVIRONMENT PROTECTION AND LOW-CARBON OPERATION

Our sustainability strategy not only reflects our firm commitment to environmental management but also guides us in building a more eco-friendly business model. The Group strictly adheres to relevant laws and regulations that significantly impact us, including the Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China. This strategy encompasses proactive management of environmental impacts, optimization of resource use, and the decarbonization of daily operations to minimize our environmental footprint to the greatest extent possible. We fully recognize the importance of complying with local environmental regulations and take responsibility for minimizing any environmental burden that our operations may cause. Our environmental policies cover production operations, facilities, waste management, the Group's products and services (such as new vehicles and OEM parts and engine oil), as well as distribution and logistics. Suppliers and service providers (e.g., suppliers of chemicals like paint and thinners) are also required to comply with the Group's environmental rules and provide relevant certifications of environmental compliance.

We have established a Greenhouse Gas Emission Control Policy. As societal demand for resource conservation and waste reduction continues to grow, we have implemented policies and measures such as green office management, energy conservation and emission reduction and hazardous waste reduction, while clearly defining the responsibilities of each department to advance environmental efforts across the organization.

We are unwavering in our commitment to environmental protection and reducing our carbon footprint, actively preserve natural resources, lower energy consumption, reduce waste, and promote recycling. While pursuing product and service quality, we have implemented multiple management measures to achieve these goals. These measures span lighting equipment, ventilation systems, air conditioning units, water-saving technologies, waste reduction, office supply recycling, and improvements to the office environment. Throughout the reporting period, we identified no violations that could materially impact the Group. We firmly believe that only through continuous improvement and effort can we bring about real change for our planet. During the reporting period, the Group's total environmental investment amounted to RMB1.9 million, primarily allocated to equipment maintenance for environmental assessments, operation of purification systems, solid waste removal and transfer, and equipment testing.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Actively Fulfilling Environmental Commitments

The Group's senior management places great emphasis on the progress and effectiveness of environmental monitoring and protection initiatives, viewing them as a critical component of the Company's sustainable advancement. Our ESG committee analyzes all related risks and opportunities and continuously monitors our progress and performance on climate change issues. At the same time, we vigorously promote the use of renewable energy in our operations and production.

We deeply understand the importance of selecting metrics aligned with business sustainability and climate-related risks. Accordingly, we have set a series of environmental targets and regularly assess our progress toward achieving them. This enables us to utilize resources more efficiently, reduce greenhouse gas emissions, actively address climate change, and ultimately accelerate our transition to a low-carbon economic model.

Our commitments include, but are not limited to:

To address climate change and reduce the environmental impact of the Group's operations, we are taking multiple measures to lower greenhouse gas emissions:

- Upgrading lighting systems and air-cooled chillers to improve energy efficiency;
- Increasing the proportion of electric vehicle sales in the Group's total revenue;
- Actively conducting education and training to enhance employees' awareness of environmental protection and energy conservation, such as strengthening the ability of after-sales staff to handle emergencies, promoting measures related to environmental issues, and further raising employee awareness.

We firmly believe that these measures will help us better protect the environment and achieve sustainable development. In 2024, the Group strictly complied with all environmental laws and regulations, with no instances of non-compliance, ensuring a harmonious coexistence between business operations and environmental protection.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Efficient Use of Resources

#### ***Energy Consumption Management***

We strictly adhere to laws and regulations related to energy consumption, such as the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China. When adopting green packaging and materials, we prioritize recyclable materials as a guiding principle. We also strive to simplify vehicle packaging to minimize waste, environmental pollution and discarded materials. The Group places great importance on resource conservation, continuously refines its energy consumption management system and optimizes energy-saving measures to improve the efficiency of our energy and resource use. We recognize that energy consumption is one of the primary sources of greenhouse gas emissions. Therefore, we have adopted a series of forward-thinking measures to enhance the Group's overall energy efficiency and reduce carbon emissions. Every store of the Group is tasked with achieving carbon reduction and emission reduction targets. To more effectively lower greenhouse gas emissions, we have established energy-saving rules for use of air conditioning, lighting, and office equipment.

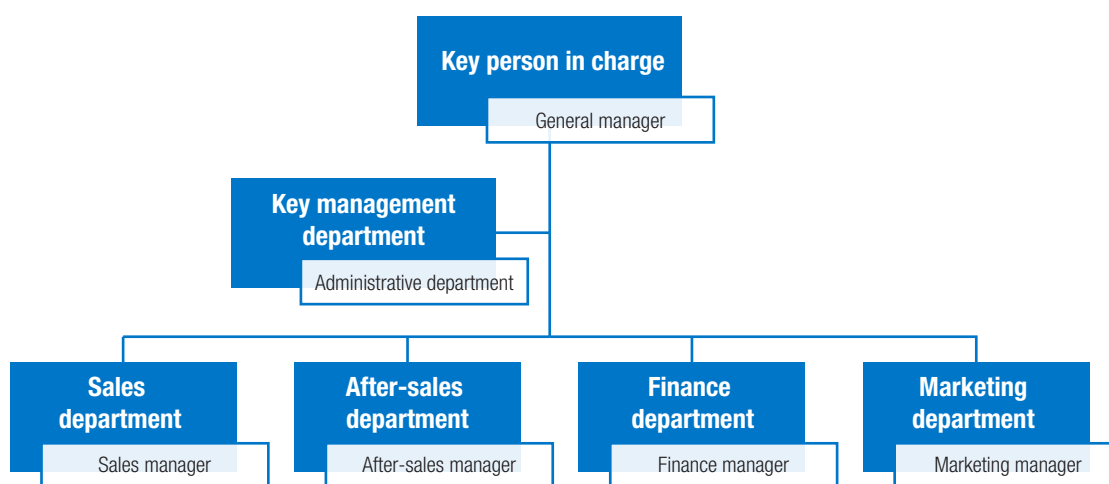
#### ***Green Office***

We actively encourage employees to adopt a green and low-carbon mindset and work together to create a green office environment. The Group has formulated policies such as the Green Manufacturing Management Requirements, Office Consumables Management Regulations, and Electricity Resource Conservation and Safety Management Rules to promote the use of renewable energy and advocate energy-saving practices in the office. We extend the "green concept" to offices and workshops by encouraging employees to conserve electricity, water and paper. We strengthen management by strictly allocating office supplies based on need, adhering to precise standards, and prioritizing energy-efficient, environmentally friendly and high-quality office equipment whenever possible.

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To this end, we have implemented a series of measures:

- Cross-departmental collaboration:** The Group has established an energy management framework led by the general manager, with the administrative department handling daily management and oversight. Colleagues from the sales department, after-sales department, finance department and marketing department align with daily operational execution, with responsibilities delegated layer by layer to further reduce overall carbon emissions from energy use.



- Adoption of energy-saving production equipment:** We incorporate energy-saving designs, use green and environmentally friendly materials in construction and renovation, optimize natural lighting to reduce energy consumption for illumination, and procure eco-friendly furniture.
- Reduction of daily operational energy consumption:** We adopt more energy-efficient LED lighting, reduce the use of disposable cups, set specific usage conditions for energy-consuming equipment like air conditioners, and install central air conditioning monitoring systems to adjust indoor temperatures seasonally, thereby lowering air conditioning energy use. We also use appropriate shading structures and roof insulation materials to provide employees with a comfortable work environment.

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- **Enhancing employee training and environmental awareness:** Every employee is encouraged to contribute to energy conservation in their respective roles by proactively saving energy by turning off their work computers and mechanical equipment after office hours, and switching off lights and air conditioners in public areas when not in use. Signage is posted in public areas and workstations to remind employees to save energy, thereby reinforcing their awareness of energy conservation and emission reduction and encouraging active participation in daily energy-saving actions.
- **Green design:** We adopt green design principles and full lifecycle assessment methods, considering energy consumption and environmental pollution during product storage and transportation as part of the green design process.
- **Green material selection:** We prioritize the use of recycled materials, resource-abundant materials, and designs that minimize material use.
- **Green production processes:** We improve manufacturing processes to minimize waste during production and reduce pollutant emissions in the production process.
- **Green material selection:** We employ recycling, remanufacturing and reuse technologies to achieve renewable cycles.

The Group has formulated the Management Policy to Encourage Employee Carpooling and Electric Vehicle Purchases, aiming to promote carpooling among employees through a series of incentives, such as providing priority or free parking spaces for carpoolers. This initiative seeks to foster a green, efficient, and harmonious commuting environment. By encouraging carpooling, the Group hopes to achieve resource sharing, reduce vehicle usage and realize multiple goals, including easing traffic congestion, protecting the environment and cutting costs, while facilitating employee commuting.

- **Recognition and rewards:** We periodically select a “Carpooling Star” to commend and reward employees who actively participate in carpooling.
- **Car wash privileges:** Employees who carpool can enjoy two free car washes per month within the Group’s facilities.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Use of Water Resources

The Group is committed to enhancing water resource management efficiency and comprehensively implementing water-saving strategies in daily operations. Each business unit and department is tasked with the critical responsibility of regularly inspecting on-site water supply systems and promptly addressing any water leaks. The Group has formulated the MeiDong Group Water Conservation Management System, and oversees the development and implementation of long-term water-saving plans and annual work programs based on the Group's overall development strategy. To ensure the efficient use of water resources, specific water-saving management regulations have been established. Under the leadership of the administrative department, all departments and teams are required to adhere to a water-saving management network encompassing planning, organization, execution and supervision. This strengthens employees' awareness of water conservation and fosters a strong water-saving culture. The Group relies on municipal water supplies, and wastewater is discharged through a three-tier diversion system. In 2024, the Group encountered no difficulties in securing appropriate water sources.

At the same time, we actively encourage employees to rationally reuse water resources to maximize the utilization of this precious resource. We have established work mechanisms conducive to water conservation, and incorporated them into departmental cost accounting responsibilities. Based on production and daily needs, we protect and develop water resources in a manner suited to local conditions, and further improve water reuse rates. We promote multi-purpose water use, enhance the recycling rate of treated domestic wastewater, and reduce freshwater consumption.

In terms of water resource usage, each store implements a series of measures to strengthen the daily maintenance and management of water-using equipment:

1. Conduct regular inspections, promptly remind individuals observed wasting water, guide them on how to conserve water, and take collective action. If anomalies are detected in water meter readings or usage volumes, we proactively contact the water supply authority to jointly investigate the cause, negotiate solutions, and address issues swiftly.
2. Promote water-saving awareness. For instance, when using water for cleaning, sanitation or office purposes, employees are encouraged to turn faucets on low and shut them off immediately after use, eliminating the habit of leaving water running. This helps employees consciously develop good habits of conserving water resources.

The decrease in average water consumption per store in 2024 compared to 2023 is mainly due to the reduction in renovation projects and the active implementation of the aforementioned water-saving measures across all stores.

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### Emission Management

An effective waste management strategy is a cornerstone of environmental sustainability. To safeguard environmental health, we have introduced a series of strict and detailed waste management regulations. These regulations not only include standards to prevent the improper disposal of hazardous and non-hazardous solid waste but also comply with local environmental laws, ensuring all waste is handled or recycled safely and responsibly.

To strengthen waste reduction measures and minimize environmental risks, the Group has established comprehensive waste management system covering all business units. This system not only accurately identifies and classifies various types of waste but also ensures each type is managed appropriately. Whether it's hazardous materials like oil or everyday office waste, we categorize them meticulously and adopt targeted handling methods. Additionally, we maintain detailed records of all operational steps for traceability.

### Hazardous Waste

The hazardous waste generated by the Group primarily includes waste engine oil, lead-acid batteries, discarded oil containers, paint booth filter cotton, filter cartridges, activated carbon and paint residues. For hazardous waste awaiting disposal, we select storage locations shielded from sunlight and rain, collect and package the waste in dedicated temporary containers, and prominently display hazardous material labels for easy identification and differentiation, ensuring safety and preventing leaks or damage. During hazardous waste transfers, a Hazardous Waste Transfer Form is completed, and all waste is transported and disposed of by professionally qualified contractors in compliance with regulations to minimize negative environmental impacts. We strictly manage the production, temporary storage, transfer and final disposal of hazardous waste according to standard procedures. Additionally, we have implemented a standardized hazardous waste management process covering production, temporary storage, transportation and final disposal. Through these measures, we strive to ensure that hazardous waste is handled scientifically, safely and in an environmentally friendly manner.

In 2024, we actively reduced the generation and emission of hazardous waste, including:

- Improving cleaning methods;
- Encouraging employee participation in recycling and resource recovery;
- Promoting green consumption among customers and guiding them to choose eco-friendly products;
- Conducting regular hazardous waste training to enhance employees' environmental awareness.

In 2024, by promoting green packaging and optimizing operational processes, the total volume of waste was effectively controlled, with a notable reduction in the generation of hazardous waste.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Non-Hazardous Waste

The Group's non-hazardous waste primarily includes scrap steel, aluminum, plastic, paper, brake pads and rubber. Non-hazardous waste with recycling value is centrally managed and handed over to suppliers for recycling and reuse. Waste paper and cardboard are stored separately in designated waste rooms and then entrusted to recycling stations for resource recovery. For non-hazardous waste, the administrative department is responsible for establishing waste collection points within the Group. These locations are equipped with appropriate waste classification signs and managed by designated personnel. Each department sets up collection points or containers for recyclable and non-recyclable waste and educates employees on proper waste sorting. The Group's total packaging material consumption is relatively low at 4.8 tons, mainly consisting of cardboard and plastic. The Group will further optimize packaging materials to reduce environmental pollution.

### Exhaust Gas and Wastewater Management

The Group actively responds to environmental requirements and embraces its green mission. Each year, we conduct detailed environmental health assessments and engage professional third parties to precisely measure wastewater, exhaust gas emissions and noise levels. We place particular emphasis on the environmental performance of each store, especially in emission control. To ensure green operations, we have adopted a series of innovative measures to meet environmental standards. These efforts not only demonstrate our responsibility and commitment but also inject strong momentum into building a green and sustainable future.

### Exhaust Gas

The exhaust gases generated during operations are primarily VOCs. Emissions arise from paint baking and spraying processes, vehicle exhaust from cars entering stores, and dust and exhaust gas from vehicle grinding and welding. We collect gases from different areas and treat them with secondary activated carbon filtration to ensure emissions from all production areas meet standards. Through a series of management measures, we effectively reduce exhaust gases:

- Production waste gases are collected by exhaust treatment towers and discharged after activated carbon treatment;
- Filter cotton quality is monitored, with large-scale stores inspected every two months;
- Paint application techniques are improved;
- Operations are staggered in coordination with government requirements.

Additionally, each store commissions third-party testing annually to ensure exhaust emissions comply with standards. During the reporting period, no significant anomalies were identified.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Wastewater

For domestic wastewater, the Group adopts appropriate and effective treatment processes, commissions qualified third parties to conduct monitoring at least once a year to ensure compliance with discharge standards. For industrial wastewater, the Group employs responsible disposal and reuse processes, ensuring the safe transfer and disposal of waste liquids.

The Group's wastewater primarily stems from domestic wastewater and vehicle washing. Annual wastewater testing is conducted, and a rainwater-sewage diversion system is in place. Rainwater is discharged into the exhaust network via pipelines, processed through separation tanks, and then released into pollution pipes. Wastewater from car washing must be treated in sedimentation tanks before discharge.

In 2024, each store actively responded to environmental initiatives by constructing or upgrading wastewater treatment systems and introducing advanced purification technologies. These efforts not only met local standards but exceeded them, achieving higher environmental benchmarks. In addition, enhanced wastewater treatment capabilities and efficient water resource recycling kept store wastewater discharge at consistently low levels. Total wastewater discharge in 2024 amounted to 208,798.29 tons.

### Emergency Response

The Group complies with the Emergency Response Management Measures for Environmental Incidents and the Environmental Protection Law of the People's Republic of China, and has established a robust environmental incident emergency mechanism to effectively prevent, timely control and mitigate hazards from sudden environmental incidents caused by hazardous waste. For potential environmental emergencies, the Group has required all stores to develop internal policies such as the Emergency Plan for Environmental Incidents. This includes forming an environmental safety team led by the general manager. Members of the environmental safety team have clearly defined roles and responsibilities and undergo regular training to master emergency response measures for various environmental pollution incidents, ensuring adequate preparedness and response capabilities.

In 2024, our emissions of nitrogen oxides, sulfides, particulate matter and carbon dioxide are detailed in the Appendix – Sustainable Performance Summary. Moving forward, we will gradually establish and refine our management system to manage and control waste reduction and emission reduction targets.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Response to Climate Change

The Group actively addresses climate change issues, aligning with the international Task Force on Climate-related Financial Disclosures (TCFD) standards to conduct in-depth assessments and strategic planning regarding potential risks and opportunities arising from climate change. We have not only implemented comprehensive risk management but also established corresponding metrics and targets to achieve sustainable corporate development. We have adopted a series of proactive measures to tackle this global challenge, thereby contributing to the advancement of global ecological civilization and high-quality development.

The impacts of climate change manifest as long-term shifts in weather patterns, extreme weather events, and subsequent resource supply shortages. Human-induced climate change will increase the frequency of extreme weather events such as powerful typhoons, seasonal storms and abnormal precipitation. We actively support China's national goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. In line with the Paris Agreement, we are committed to enhancing our business's resilience to climate risks, responding to the national call for energy conservation and emission reduction. The Group will continuously assess the impact of climate change on our operations and make corresponding improvements to ensure normal business operations can be maintained in the event of accidents caused by extreme weather. Climate change presents both risks and opportunities, and the Board will continue to monitor and optimize our mitigation measures to strengthen our climate resilience and prepare for its impacts. The following summarizes climate-related risks that may significantly affect our business and their corresponding impacts:

### Governance

The Group is actively examining the potential impacts of climate change on our operations and adopting practical and effective strategies to enhance our ability to respond to extreme weather events. We recognize that climate change poses both challenges and opportunities, and thus the Board closely monitors relevant factors to bolster our business's capacity to withstand climate-related challenges. We are committed to implementing preventive measures to ensure our operations align with climate change trends. Regarding the impact of climate change on business activities, our ESG committee conducts in-depth analyses to identify potential effects, drives the implementation of specific initiatives, and regularly reports and provides recommendations to the ESG committee. For more details, please refer to the section headed "Sustainable Development Management" in this report.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Strategy

Climate-related risks can be categorized into transition risks arising from the shift to a low-carbon economy and physical risks resulting from climate change. Transition risks include policy and regulatory risks, market and technological risks and reputational risks. Physical risks include acute physical risks (such as extreme weather events like earthquakes, heavy rainfall and flooding, sandstorms and other major natural disasters) and chronic physical risks (long-term shifts in climate patterns, such as rising sea levels and persistent high temperatures).

Risk type		Risk driver	Implications	Responses
Physical risks	Physical risks	Extreme weather events	Lead to significant casualties, as well as substantial property losses to production and office facilities, buildings, vehicles, goods, etc.	<ul style="list-style-type: none"> <li>Issuing warnings and preparing preventive measures: Each store should determine the warning level based on actual conditions and promptly report relevant situations to the Group.</li> <li>Emergency response team should conduct timely inspections, closely monitor and track developments, prepare for emergencies, and issue warning notifications.</li> </ul>
	Chronic	Persistent high temperatures	In high-temperature environments, vehicle maintenance costs increase. Owners need to replace aging parts and perform maintenance more frequently, such as replacing worn interior materials, inspecting and replacing deteriorated rubber components, and regularly cleaning radiators. High temperatures can also reduce engine performance, increasing fuel consumption and repair costs.	<ul style="list-style-type: none"> <li>Introduction of specialized after-sales maintenance services: For example, we have added deep air conditioning system maintenance to adapt to climate changes across different seasons and introduced seasonal inspection services to ensure vehicles maintain stable performance during extreme weather.</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk type		Risk driver	Implications	Responses
Transition risks	Policies and laws	Policy and regulatory actions	If the Group fails to comply with the environmental laws and regulations of the jurisdictions in which it operates, it may incur losses.	<ul style="list-style-type: none"> <li>Closely monitoring policy changes and flexibly adjusting sales strategies: For instance, we actively respond to the green mobility trend by increasing support and promotion of charging infrastructure for new energy vehicles.</li> </ul>
	Market	Customer behaviour change	Changing customer behaviour can cause revenue loss for the Group if it does not capture the needs of environmentally conscious customers.	<ul style="list-style-type: none"> <li>We adapt to market demand changes, proactively observe and study market trends and advance our electric vehicle dealership business. We collaborate with multiple renowned brand manufacturers, introducing advanced hybrid and eco-friendly electric vehicle models to meet customers' growing demand for green transportation.</li> </ul>
	Reputation	Brand value and customer loyalty	Reputational risks directly impact a company's brand value and customer loyalty. When consumers develop a negative perception of a car brand, it may erode trust in the brand, influence their purchasing decisions, and ultimately lead to a decline in sales.	<ul style="list-style-type: none"> <li>By planning and participating in environmental activities, we actively build a green corporate image to enhance brand value.</li> <li>We educate consumers on climate change, guide vehicle owners on how to properly use and maintain their cars under various climate conditions, thereby improving customer satisfaction and loyalty.</li> </ul>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Risk Management

In addressing the challenges of climate change, we focus on identifying and assessing the potential risks of its climate impacts while actively seeking new opportunities within the green economy. The Group has deeply integrated climate risks into the ESG risk management system, striving to achieve a balance between business expansion and ecological harmony. In 2024, we required all stores to develop comprehensive emergency plans for extreme weather and establish response teams. For severe weather events such as floods and typhoons, we will implement multiple measures, including issuing warnings, emergency evacuations and stockpiling supplies. When the emergency response team or department deems support necessary, they must promptly request coordination and guidance from higher-level emergency rescue command bodies. By continuously refining our risk objectives and management systems, we are committed to promoting energy conservation and emission reduction across the entire value chain, supporting the Group's steady transition to a sustainable business model, and enhancing industry competitiveness and resilience.

We encourage employees to adopt environmentally friendly lifestyles. All employees are required to comply with the Group's environmental regulations regarding the management of the "three wastes". To foster good environmental habits, we should apply environmental knowledge to daily life. We strictly adhere to the Renewable Energy Law of the People's Republic of China and align our business operations with national strategies. To support the government's promotion of clean energy, we actively collaborate with suppliers to promote the application and sale of battery-powered, electric and hybrid vehicles. As a result, the Group continuously adjusts its strategies to adapt to changes in product structure.

### Metrics and Targets

Facing the severe global climate challenge, we precisely capture and continuously monitor key indicators closely tied to climate risks, such as direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2). Each year, we conduct detailed statistical analyses and publicly disclose relevant data, providing robust data support for addressing climate change. To more effectively oversee and manage these indicators, we regularly collect and thoroughly analyze related data, offering a scientific basis for decision-making in our environmental efforts. Through the ongoing evolution of the Group's strategy, we maintain adaptability to changes in our product portfolio. The Group's targets aim to promote the development of electric vehicles, advance eco-friendly transportation, and facilitate the transformation of the traditional automotive industry into a more environmentally friendly and low-carbon sector. In the future, we will continue to enhance our climate-related risk governance, strategy formulation, risk management, and identification and management of metrics and targets, and work together with all stakeholders to address climate change and achieve collective sustainable development.

We have identified the Group's primary sources of greenhouse gas emissions, with specific data detailed in the Appendix – Sustainable Performance Summary.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### III. PROMOTING EMPLOYMENT AND LABOUR PRACTICES

The importance of employees cannot be overstated as they are the core strength and vital support for the Group's steady development. We are committed to building a comprehensive employee development system, ensuring the recruitment of top talent through standardized hiring processes. We offer competitive remuneration and benefits, foster a bias-free work environment, and ensure fair and equitable promotion opportunities. Additionally, we actively implement diverse training programs to enhance employees' professional skills and quality of life, boosting their sense of belonging and well-being. These initiatives not only lay a solid talent foundation for the Company's future development but also enable our employees to thrive in their respective roles with vitality.

#### Employee Rights Protection

##### *Equal and Diverse Employment*

In our employment practices, we comply with applicable laws and regulations, including the Employment Ordinance of Hong Kong and the Labour Contract Law. To assess and update our labour policies, we regularly monitor developments in labour and human rights laws and regulations. All employees are entitled to respect and fair treatment, regardless of gender, age, ethnicity, family status, sexual orientation, disability, race, or religious beliefs. The Group is committed to upholding human rights and strictly prohibits the use of child labour or forced labour. We also notify employees of the importance of labour rules via email.

The Group places great emphasis on creating a fair and diverse workplace atmosphere. Our Employee Handbook outlines internal guidelines on recruitment, discipline, remuneration, working hours and termination. This handbook serves as a bridge, providing a framework for interaction between the Group and its employees while ensuring equal career opportunities for every individual, regardless of age, gender, physical condition or ethnic background. Furthermore, we have established multi-channel feedback mechanisms to allow employees to freely voice their concerns or suggestions. In decision-making, we consistently consider employees' experience, qualifications and past performance, striving to foster harmonious employment relationships.

The Group is dedicated to creating a fair and safe labour environment. We prohibit child labour and forced labour to protect workers' rights. We require applicants to submit valid identification and sign labour contracts that meet legal standards. Any violations of employment regulations are met with immediate and strict action. The labour contract signing rate and social insurance coverage rate both stand at 100%.

As of the end of the reporting period, women in revenue-generating roles (e.g., sales) accounted for 18.6% of all managerial positions of the Group. During the reporting period, there were 26 employees with disabilities, a significant increase from 2023, and 110 employees from ethnic minorities. The employee turnover rate at the end of the reporting period was 29.3%, a 22.9% decrease from last year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Remuneration and Performance Evaluation

The Group implements a standardized performance evaluation and promotion system to ensure all employees enjoy a fair and transparent remuneration and benefits framework.

At the same time, the Group fosters a competitive yet equitable environment. To motivate employees to strive for higher goals, the Group announces monthly sales champions for each region and dealership. Every quarter, the general manager, after-sales manager, and administrative and human resources manager jointly conduct career planning interviews with targeted employees. These interviews cover basic employee information, work preferences, abilities, service awareness, personality, and willingness to relocate, with phased evaluations conducted. Annual evaluations include assessment factors, completion status and yearly goals, with the format varying by role. Business roles are evaluated using KPIs, while support roles prioritize 360-degree feedback. We further standardize human resource reserves across stores of the Group, promoting career planning that respects employees' aspirations and capabilities.

### Employee Benefits

Employee care is a key aspect of maintaining positive employment relationships. The Group has formulated the MeiDong Group Employee Welfare Expenses and Incentive Implementation Rules, addressing employees' genuine needs by categorizing benefits into general and incentive-based benefits. General benefits include activity funds, holiday cash gifts and caring payments, while incentive-based benefits encourage long-term commitment or reward outstanding employees and stores, including travel activities, training opportunities and other benefits. The Group adopts a standard working hours system, provides overtime pay for single-day-off positions, implements paid annual leave according to government policies, and offers additional leave rewards based on years of service of the employees. Statutory childcare leave is provided based on employee needs. We periodically organize employee welfare visits, team-building activities, birthday celebrations and other recreational events, and extend festive greetings during traditional holidays like Dragon Boat Festival and Mid-Autumn Festival. The Group encourages two-way communication, highly values employee opinions, facilitates exchanges, and strengthens employee cohesion.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Actively Conducting Satisfaction Surveys

To create a harmonious work environment and demonstrate our commitment to employee well-being, the Group continuously conducts employee satisfaction and engagement surveys. We recognize the direct impact of employee satisfaction on service quality. As the driving force behind our dealership business, employees' conditions and voices are paramount. Through engagement surveys, we connect employee experiences and behaviors with organizational performance, providing rich decision-making insights for the Group. The Group conducts annual employee surveys, and in 2024, we carried out a management cadre survey focusing on performance and comprehensive abilities from a structural perspective. Next year, we plan to implement a Group-wide employee satisfaction survey combined with headquarters-level assessments for a holistic view of the Group's work environment. The 2024 Porsche Center employee engagement survey followed previous years' logic to address dealers' survey demands and update content with industry trends. In terms of engagement drivers, Porsche's network scored highly in employer branding, job tasks and work-life balance.

### Talent Training and Development

The Group places great importance on attracting and nurturing talent, as outlined in the MeiDong Group Training Implementation Management Regulations, with a focus on employee growth and development. We provide ongoing professional development opportunities to equip employees with essential technical and soft skills. To ensure coordinated and sustainable career growth, we collaborate with employees to align their career aspirations with tailored career development plans. To attract and retain talent, the Group partners with university networks and builds an internal talent pool through our recruitment platform. The Meidong Group Talent Pool Management Regulations established by the Group guide our monthly or quarterly identification of outstanding talent, integrating them into the internal talent pool as a key pathway for growth and a strategic cornerstone for building core competitiveness and sustainable development. Eligible reserve personnel meeting promotion criteria or showing potential are evaluated for the talent pool based on performance, work ability, interview performance and willingness. We offer robust career paths, cultivate exceptional talent, and maintain a long-term and dynamic talent reserve. During the reporting period, the Group's total training investment reached RMB4.1 million.

To enhance employees' job competency, business skills and management capabilities and standards, the Group's training management regulations encompass internal and external training. Departments within the Group provide detailed work guidance for each position to ensure smooth daily operations. In particular, internal training includes onboarding for new hires, video training for role transitions, general courses, professional courses, and training for newly promoted managers. In addition, we conduct external training covering pre-opening role-specific training for new dealerships, new model launch training, and manufacturer-provided professional courses. We also offer regular training tailored to employee needs, covering corporate culture, technical skills, quality control/product safety, environmental protection, and safety. These programs are available in-person or online, deepening employees' understanding of the Group's goals, metrics and future plans.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Occupational Health and Safety

We prioritize employee health and safety in the workplace, and strictly adhere to laws and regulations such as the Production Safety Law of the People's Republic of China, Occupational Disease Prevention Law of the People's Republic of China and Workplace Occupational Health Regulations of the People's Republic of China. The Group has established the Occupational Health Monitoring and Record Management System. During the reporting period, no violations of health and safety laws and regulations occurred, reflecting our commitment to providing a safe, healthy and comfortable work environment for our employees. In 2024, the Group's investments in production safety and employee health protection amounted to RMB497,000.

We have developed emergency plans for occupational health incidents to ensure rapid and effective responses in crises. By collecting employee feedback and suggestion, the Group continuously optimizes occupational health and safety services and record management processes to improve work quality and efficiency. Regular training on occupational health monitoring and record management is provided to managers and employees to ensure employees' understanding of and compliance with relevant requirements. We enhance record management through informatization, leveraging modern technology to improve efficiency and standards of occupational health record management.

The Group has formulated the Occupational Disease Protective Equipment Management System, and adopts proactive prevention measures by providing personal protective equipment, equipping special-role staff with professional protective gear, and establishing an occupational health and safety management team to oversee personal protective equipment management, supervision and training. Each department designates occupational health officers to manage distribution, usage and inspections of personal protective equipment within the department. The Group also progressively adopts eco-friendly, harmless or low-harm materials (e.g., water-based paints for baking) to reduce potential health risks to employees.

The Occupational Disease Prevention Education and Training System established by the Group raises employee awareness on occupational diseases, safeguards their physical and mental health, and enhances occupational health awareness and self-protection capabilities of employees by strengthening education and publicity on occupational disease prevention.

Key efforts in safety hazard identification and mitigation during the year include:

- Occupational health checks: Emphasizing occupational health checks to help employees monitor their health, detect and diagnose occupational diseases early.
- Occupational disease case studies: Analyzing typical cases to highlight the dangers of occupational disease incidents and increase employee vigilance.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Enriched training programs:** We periodically held lectures on occupational disease prevention, inviting professionals to deliver sessions to enhance employees' expertise. Using the Group's internal training platforms such as WeChat and the intranet, we distributed educational materials and videos on occupational disease prevention, enabling employees to learn anytime, anywhere. We also organized occupational disease prevention knowledge competitions to spark employees' interest and boost participation.

### Emergency Drills

We provide safety training to enhance employees' awareness of occupational health and safety issues related to their roles and work environments, including fire safety training, drills, and first aid training. The project safety emergency leadership team directs on-site responses, immediately activating fire safety emergency plans based on the nature of the incident. Emergency response teams swiftly arrive at the scene, actively conducting rescue operations and implementing effective measures to prevent escalation while preserving the incident site. During the year, the Group's stores conducted a total of 178 emergency drills for safety incidents, with approximately 8,000 participants throughout the year.

During the reporting period, work-related injury lost days totaled 384. Following each work-related injury incident, the Group promptly communicated with the affected employees and relevant departments to investigate the causes and monitor post-injury treatment. From 2022 to 2024, there were zero work-related fatalities. No violations of laws and regulations related to production safety or occupational health and safety occurred during the reporting period.

## IV. SUPPLY CHAIN MANAGEMENT AND VALUE-DRIVEN APPROACH

### Supply Chain Compliance Management

Our procurement activities comply with all relevant laws and regulations, ensuring that all suppliers adhere to a fair and just procurement process while maintaining strong cooperative relationships with upstream and downstream entities such as suppliers and dealers. To effectively manage supplier relationships, the Group has established strict supplier selection standards, including the Supplier Management Regulations and Tender Management Policy, continuously enhances supply chain compliance requirements and improves environmental and social responsibility practices. The Group has developed a supplier information management system, maintains a directory of suppliers participating in tenders, documents bidding details, and files monthly Supplier Evaluation Forms to efficiently manage the supplier list. Evaluation results are recorded and considered during supplier selection, where the Group determines supplier entry standards based on quality levels, including delivery capabilities, technical expertise and after-sales support.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have established a comprehensive supplier audit mechanism to periodically assess supplier performance against high evaluation standards. In supplier screening and evaluation, the Group has developed a specific metrics system, assigning weights and scoring criteria to assess suppliers' credit ratings and implementing differentiated management based on these ratings. For supplier assessments, each store forms a supplier selection team involving procurement, quality control and technical departments. For key suppliers, stores may assign dedicated personnel to regularly conduct quality inspections. Based on assessment outcomes, we categorize and manage suppliers, provide focused attention and appropriate incentives and support within compliance boundaries to outstanding suppliers. In 2024, 100% of key suppliers underwent evaluation.

During the reporting period, we worked with 57 suppliers, of which 31 were tier 1 key suppliers, accounting for 99.85% of total supplier expenditure. All suppliers (100%) were assessed through document/material reviews and on-site evaluations. During the year, we firmly declined to cooperate with suppliers failing environmental and social audits, and no supplier partnerships were terminated due to environmental or social issues.

### Sustainable Supply Chain

The Group advocates for green, low-carbon, eco-friendly and energy-saving procurement, and requires subsidiaries and relevant departments to actively implement environmental and social risk controls for suppliers. The procurement process prioritizes products and services with minimal environmental impact, aiming to reduce adverse effects on the environment and human health. We prioritize suppliers meeting the following conditions: in addition to complying with statutory pollutant emission requirements, they voluntarily sign agreements with environmental authorities to further reduce pollution emissions and achieve the agreed-upon reductions. We optimize supply chain management to respond more quickly to local market demands and lower inventory and transportation costs. By gaining a deeper understanding of local markets and supply chain systems, our procurement processes have become more transparent and efficient. In 2024, the proportion of localized procurement from suppliers of the Group reached 100%.

In procurement activities, each store should fully consider environmental benefits, and prioritizes raw materials, products and services that are eco-friendly, energy-efficient and conducive to comprehensive resource utilization, thus balancing economic and environmental gains. We are committed to building a green supply chain. Stores are encouraged to continuously refine procurement standards and systems, integrating energy-saving and environmental factors across product design, procurement, production, packaging, logistics, sales, service, recycling and reuse. Together with upstream and downstream partners, we fulfill social responsibilities such as environmental protection and emission reduction to create a green supply chain. In procurement, the Group promotes green and low-carbon principles, emphasizes environmental protection, resource conservation, safety, health, circularity, low-carbon operations and recycling, prioritizes the procurement and use of energy-saving, water-saving and material-saving raw materials, products and services that benefit the environment. Additionally, we conduct training for employees on green procurement and services, thereby comprehensively raising their awareness of environmentally friendly procurement while balancing economic and environmental benefits.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

All contracted suppliers must sign a Supplier Integrity Agreement alongside their contracts. We ensure integrity in supplier procurement and supply and monitor honest practices during contract execution, and actively cooperate with audit staff to investigate and gather evidence on any disciplinary violations. In 2024, 100% of suppliers signed integrity agreements. We implemented the following measures to ensure procurement staff integrity:

- Prohibiting procurement staff from soliciting bribes;
- Requiring suppliers not to offer bribes or provide benefits to procurement staff or their families at any store;
- Allowing settlements only after monthly reconciliations are completed.

## V. FULFILLING OUR MISSION WITH DEDICATED SERVICE

### Enhancing Customer Experience

#### *High-quality Services*

MeiDong is committed to ensuring customers enjoy a high-quality automotive lifestyle. In accordance with laws and regulations such as the Administrative Measures for Automobile Sales, Inspection and Management Measures for Imported Automobiles and Road Transport Regulations, MeiDong Auto centers its operations around a “customer-first” philosophy. We focus on listening to customers, addressing their concerns from problem identification to resolution, and responding swiftly. The Group has established the Customer Service Code of Conduct, requiring staff to greet customers with a smile, a natural demeanor and a friendly gaze. We collect customer feedback on products and services through satisfaction surveys, with dedicated staff conducting follow-up calls on customer satisfaction within seven days of vehicle delivery and one-on-one surveys within three days of after-sales service. Departments are required to analyze shortcomings and implement rectifications to ensure premium customer services. In 2024, the Group distributed annual satisfaction questionnaires to further explore customer perceptions and loyalty, aiming to drive steady improvements in satisfaction and loyalty while enhancing overall customer contentment. Listening to customers is the cornerstone of MeiDong’s quality enhancement. We maintain customer relationships through multiple channels, such as regular follow-ups and interactive engagement.

We ensure all products obtain quality control technical certification and 3C safety certification before sale. We disseminate information in a fair and impartial manner. Our sales representatives are obligated to provide accurate and truthful information to customers during sales. As part of the Pre-Delivery Inspection (“**PDI**”) process, every vehicle undergoes a thorough check to confirm it is in optimal condition. Skilled technicians perform detailed inspections per brand specifications, including computer diagnostics and basic maintenance.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In after-sales services, we have meticulously crafted an interactive and open communication system with customers. Pursuant to the terms of sales agreements, our products come with comprehensive warranty services from the purchase date. We encourage customers to learn about product details and actively listen to their feedback to address potential issues promptly. Customers can use diverse feedback channels provided by the Group, such as a 24/7 customer service hotline and the WeChat platform, to express their opinions. We pledge an immediate response to every piece of feedback from our customers. Store managers proactively contact customers, listen patiently, and resolve issues quickly.

Each month, our team systematically collects and deeply analyzes customer feedback to ensure consistent actions across stores and continuous service optimization. Customer satisfaction is paramount, and we wholeheartedly address every customer's input. Our goal is to resolve complaints within 48 hours.

During the 2024 financial year, the Group received 2,400 complaints, and actively responded to customers' needs with a 98% timely resolution rate. In particular, product recall-related complaints accounted for 3.4%, all of which were 100% resolved.

### Customer Health and Responsible Assurance

The Group strives to protect customer safety. Each year, manufacturers provide proactive recall notices (including vehicle identification lists) distributed to relevant dealerships. Store staff proactively contact affected customers (via phone, WeChat or mail) to inform them of recall details and relevant impacts. Meanwhile, stores align with manufacturer recall policies and store customer care policies to offer customer care initiatives (e.g., rental car vouchers), conduct regular safety checks to ensure a safe and clean service environment and equipment and facilities and a safe, comfortable and high-quality service experience for customers. To enhance the in-store experience, we established the Test Drive Safety Management Regulations, detailing procedures for customer safety, refreshments and test drives to provide a comprehensive test drive experience showcasing excellent performance of different models. In addition, to ensure customer safety, sales consultants must hold a driver's license and pass an assessment conducted by the Group's administrative department before conducting test drives with customers. The general manager and department managers should regularly conduct education and training for employees on the safety management of test drive vehicles, ensuring that drivers maintain a constant state of alertness. Through safety education days, we provide vehicle owners with safety knowledge, firmly embedding driving and riding safety awareness in employees' minds.

In addition, we actively promote ESG principles to customers. In collaboration with organizers, we invite customers to participate in Amazon Climate Pledge Friendly (CPF) events at our stores, and educate employees on the goals of carbon peaking and carbon neutrality, thereby leading the charge in green initiatives and advocating for eco-friendly travel. We encourage customers to adopt green travel options to reduce environmental emissions. During the year, the Group organized multiple large-scale events to enhance customer engagement.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Protecting Customer Privacy

The Group strictly adheres to laws, regulations and rules such as the Cybersecurity Law, Personal Information Protection Law, and Information Security Technology and Personal Information Security Specification, and has established a comprehensive information security system to respect and protect customer privacy while contributing to internet and information security.

We deeply understand and value customers' concerns regarding the privacy of their personal information. Given the critical importance of cybersecurity, we fully recognize and respect every customer's right to privacy. To ensure the absolute confidentiality of personal data, the Group has meticulously developed a detailed set of privacy protection strategies and information security management standards. These strategies outline our specific practices for collecting, using, protecting and sharing personal information. Our Board and management team hold regular meetings to thoroughly discuss and evaluate privacy and data security issues, ensuring we remain vigilant in safeguarding the privacy rights of customers, suppliers and employees. We have also implemented a range of technical and managerial measures to ensure information security. For the Group's long-term, stable and healthy development, and to effectively protect our customers' personal information, we enforce strict management controls, safeguarding customer privacy through both systems and equipment: a dedicated department oversees the management of information systems, including Group server management, network architecture planning, and cybersecurity management across the Group. It also handles information system policy formulation and approval while providing technical support to store IT departments, ensuring stable system operations.

- All collected data is securely stored on protected servers using highly secure information management systems that meet industry standards.
- Our network environment (including storage infrastructure) is built with Multi-Spanning Tree Protocol ("**MSTP**") dedicated lines to ensure system security and low latency. All employees, contractors, consultants, temporary workers and other personnel are responsible for complying with privacy policies, with violations potentially leading to disciplinary actions, including termination.
- We provide employees with regular training on data security and privacy to ensure they understand and adhere to relevant regulations.

To ensure data security, the Group issued the Data Breach Emergency Response Management Process in 2024, applicable to headquarters and all stores of MeiDong Group. A data breach and cybersecurity incident assessment team, comprising personnel responsible for servers and databases, cybersecurity, equipment and physical lines and Kingdee ERP system operations, evaluates the severity and scope of incidents. In 2024, the Group conducted two training sessions on information security and privacy protection. During the reporting period, no information security incidents occurred.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have implemented industry-standard security measures to protect personal information, preventing data from unauthorized access, disclosure, use, modification, damage, or loss. For example, we use encryption technology to ensure data confidentiality; employ trusted protection mechanisms to prevent malicious attacks; deploy access control mechanisms to ensure only authorized personnel can access personal information; and regularly hold security and privacy protection training courses to reinforce employees' awareness of the importance of safeguarding personal data. All new hires are required to sign confidentiality agreements.

To ensure the normal and secure operation of IT systems, we:

- back up and restore data processed by IT systems;
- log and monitor transactions to detect IT system performance;
- detect and block unauthorized access to personal information; and
- manage IT system security incidents and issues.

## VI. POWER OF BENEVOLENCE AND COMMUNITY WELFARE

Community investment serves as a key driver of sustainable corporate development, and the Group places great importance on community well-being and meticulously plans and strongly encourages employee participation in a diverse range of public welfare activities. During the reporting period, the Group donated a total of RMB500,000. In addition, we organized two public welfare activity projects, attracting enthusiastic participation from numerous volunteers and injecting new vitality into the environmental well-being of the entire community. These initiatives not only demonstrate the Group's sense of social responsibility but also further strengthen our corporate image.

- “Born to the Wild, Explore Jiangxi: Foshan Shunde Porsche Center Public Welfare Journey”: We organized a public welfare trip for car owners, preparing rich energy packs and encouraging them to donate idle books or daily necessities to underprivileged children. Participants stayed at the Qianxin Town Scenic Area, where we held an evening car owner forum and a distinctive Jiangxi style dinner. Car owners were invited to distribute caring supplies to children, enhancing Porsche's brand reputation and influence while reflecting the Company's sense of social responsibility.
- “China Siyuan Foundation for Poverty Alleviation & Sina Yangfan Charity Fund – Yangfan Plan 2024 Hubei Rural Teacher Ecological Education and Training”: From the first and second batches of participating teachers, we selected 18 outstanding educators to complete advanced training and visits in Qinghai. Upon returning to their schools, these teachers shared their experiences, inspiring colleagues and influencing generations of students. In the short term, over 1,000 rural teachers are expected to indirectly benefit, while in the long term, more than 70,000 students are projected to be positively impacted.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### APPENDIX

#### SUSTAINABLE PERFORMANCE SUMMARY

##### Environmental Performance

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

KPI	Unit	2023	2024
Sulphur dioxide	Kg	0.75	0.68
Nitrogen oxides	Kg	0.02	0.02
Particulate matter	Kg	0.02	0.02

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

KPI	Unit	2023	2024
Scope 1 direct emission	Tonne of CO <sub>2</sub> equivalent	1,518.56	805.47
Scope 2 indirect emission	Tonne of CO <sub>2</sub> equivalent	25,400.96	18,810.42
Total emission	Tonne of CO <sub>2</sub> equivalent	26,919.52	19,615.90
Emission intensity	Tonne/Revenue – RMB'000	0.0009	0.0009

1. The calculation of the GHG is based on the “Corporate Accounting and Reporting Standard” from GHG protocol and the latest emission factors from International Energy Agency (“IEA”)
2. Scope 1: Direct emission from fuel sources of dealership shops that are under the operations of the Group
3. Scope 2: Indirect emission from the generation of purchased electricity and heating consumed by the dealership shops that are under the operations of the Group

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI	Unit	2023	2024
Purchased heating	kWh	4,800	3,700
Purchased electricity	kWh	31,418,087.84	32,980,813.76
Liquefied petroleum gas	kWh	179,629.49	37,040.71 <sup>1</sup>
Natural gas	Standard m <sup>3</sup>	18,456.39	14,961.80
Gasoline consumption	Litre	506,264.28	351,865.76 <sup>2</sup>
Diesel consumption	Litre	15,070.13	9,333.00 <sup>3</sup>
Total energy consumption	kWh	37,130,925.78	33,325,912.42
Energy intensity	kWh/Revenue – RMB'000	1.3	1.65

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

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

KPI	Unit	2023	2024
Total hazardous waste	Tonne	1,512.47	1,450.93
Total non-hazardous waste	Tonne	451.32	328.78
Total waste	Tonne	1,963.79	1,779.71
Waste intensity	Tonne/Revenue – RMB'000	0.0001	0.0001

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

KPI	Unit	2023	2024
Total water consumption	m <sup>3</sup>	275,598.82	253,703.88
Water intensity	m <sup>3</sup> /Revenue – RMB'000	0.01	0.01

<sup>1</sup> In 2024, the Group reduced store canteens by 80%, transitioning all to external meal delivery services.

<sup>2</sup> In 2024, the Group intensified efforts to promote new energy vehicles, reducing the use and test-driving of fuel-powered vehicles, resulting in a significant decrease in gasoline consumption.

<sup>3</sup> In 2024, two of the Group's paint booths switched from diesel to electricity, and overall diesel generator usage decreased, leading to a substantial reduction in diesel consumption.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Social Performance

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

KPI	Number of staff in 2023		Number of staff in 2024	
Total workforce	3,884		3,793	
<b>Total workforce by employment type</b>				
	Number of staff in 2023	% of total	Number of staff in 2024	% of total
Full time	3,884	100%	3,793	100%
Part time	0	0%	0	0%
<b>Total workforce by gender</b>				
Male	2,271	58%	2,201	58%
Female	1,613	42%	1,592	42%
<b>Total workforce by age group</b>				
25 or below	274	7%	252	6%
25-30	880	23%	755	19%
31-40	2,296	59%	2,284	59%
41 or above	434	11%	502	13%
<b>Total workforce by employment category</b>				
General staff	3,275	84%	3,236	85%
Supervisor	214	6%	200	5%
Middle management	318	8%	283	7%
Senior management	77	2%	74	2%
<b>Total workforce by geographic region</b>				
Eastern and Central China regions	1,798	46%	1,778	47%
Southern and Northern China regions	1,928	50%	1,864	49%
Southwestern and Northwestern mainland regions	158	4%	151	4%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

KPI	2023	2024
Total employee turnover rate	38%	29.3%
<b>Employee turnover rate by gender</b>		
Male	34.7%	28.4%
Female	41.7%	30.4%
<b>Employee turnover rate by age group</b>		
25 or below	53.2%	39.6%
25-30 (including 30)	44.2%	36.3%
31-40 (including 40)	34.1%	27.2%
41 or above	27.9%	19.5%
<b>Employee turnover rate by geographic region</b>		
Eastern and Central China regions	36.8%	27.2%
Southern and Northern China regions	38.4%	30.9%
Southwestern and Northwestern mainland regions	41.3%	32.3%

**KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting period****KPI B2.2 Lost days due to work injury**

Occupational Health and Safety	2022	2023	2024
Work-related fatalities	0	0	0
Lost day due to work injury	46	251	384

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

<b>% of Employees Trained</b>	2023	2024
Training coverage rate (%)	100%	100%
<b>% of employee trained by gender</b>		
Male (%)	100%	100%
Female (%)	100%	100%
<b>% of employee trained by employee (position) category</b>		
General staff (%)	100%	100%
Supervisor (%)	100%	100%
Middle management (%)	100%	100%
Senior management (%)	100%	100%
<b>Average training hours received by employees by gender</b>		
Male (hours)	30	28.3
Female (hours)	29	28.2
<b>Average training hours received by employees by employee category</b>		
General staff (hours)	25	26
Supervisor (hours)	25	26
Middle management (hours)	54	54
Senior management (hours)	54	54
<b>KPI B5.1 Number of suppliers by geographical region</b>		
Northern China region	3	5
Eastern China region	10	10
Northeastern China region	1	2
Central China region	3	4
Southern China region	40	36
Total number of suppliers	57	57

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### DISCLOSURE INDEX

Listing Rules of the Hong Kong Stock Exchange – Appendix C2 “Environmental, Social and Governance Reporting Code”

Aspect	Content	Section in this report
<b>Part B: Mandatory Disclosure Requirements</b>		
	Board Statement	Statement of the Board
	Reporting Principles	About the Report
	Reporting Boundary	About the Report
<b>Part C: “Comply or explain” Provisions</b>		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	II. Environmental Protection and Low-carbon Operation
	A1.1 The types of emissions and respective emissions data.	II. Environmental Protection and Low-carbon Operation
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility). [Repealed 1 January 2025]	II. Environmental Protection and Low-carbon Operation
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	II. Environmental Protection and Low-carbon Operation
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	II. Environmental Protection and Low-carbon Operation
	A1.5 Description of emission target(s) set and steps taken to achieve them.	II. Environmental Protection and Low-carbon Operation
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	II. Environmental Protection and Low-carbon Operation

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Content	Section in this report
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	II. Environmental Protection and Low-carbon Operation
	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).	II. Environmental Protection and Low-carbon Operation
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	II. Environmental Protection and Low-carbon Operation
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	II. Environmental Protection and Low-carbon Operation
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	II. Environmental Protection and Low-carbon Operation
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	II. Environmental Protection and Low-carbon Operation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	II. Environmental Protection and Low-carbon Operation
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. [Repealed 1 January 2025]	II. Environmental Protection and Low-carbon Operation
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	II. Environmental Protection and Low-carbon Operation
	A4.1 [Repealed 1 January 2025]	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Content	Section in this report
B1 Employment	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>B1.1 Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p>
B2 Health and Safety	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>B2.2 Lost days due to work injury.</p> <p>B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p>
B3 Development and Training	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer.</p> <p>B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p> <p>B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p> <p>III. Promoting Employment and Labour Practices</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Content	Section in this report
B4 Labour 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 labour.	III. Promoting Employment and Labour Practices
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	III. Promoting Employment and Labour Practices
	B4.2 Description of steps taken to eliminate such practices when discovered.	III. Promoting Employment and Labour Practices
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	IV. Supply Chain Management and Value-driven Approach
	B5.1 Number of suppliers by geographical region.	IV. Supply Chain Management and Value-driven Approach
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	IV. Supply Chain Management and Value-driven Approach
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	IV. Supply Chain Management and Value-driven Approach
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	IV. Supply Chain Management and Value-driven Approach
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.	V. Fulfilling Our Mission with Dedicated Service
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	V. Fulfilling Our Mission with Dedicated Service

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Content	Section in this report
B7 Anti-corruption	B6.2 Number of products and service related complaints received and how they are dealt with.	V. Fulfilling Our Mission with Dedicated Service
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Not applicable
	B6.4 Description of quality assurance process and recall procedures.	V. Fulfilling Our Mission with Dedicated Service
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	V. Fulfilling Our Mission with Dedicated Service
	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.	I. Compliance Management and Honest Operation
	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.	I. Compliance Management and Honest Operation
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	I. Compliance Management and Honest Operation
B8 Community Investment	B7.3 Description of anti-corruption training provided to directors and staff.	I. Compliance Management and Honest Operation
	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.	VI. Power of Benevolence and Community Welfare
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	VI. Power of Benevolence and Community Welfare
	B8.2 Resources contributed (e.g. money or time) to the focus area.	VI. Power of Benevolence and Community Welfare



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Content	Section in this report
Part D: Climate-related Disclosures		
D-I Governance	Governance body(s) responsible for oversight of climate-related risks and opportunities	II. Environmental Protection and Low-carbon Operation
D-II Strategy	Climate-related risks and opportunities	II. Environmental Protection and Low-carbon Operation
D-III Risk Management	Financial position, financial performance and cash flows	II. Environmental Protection and Low-carbon Operation
D-IV Metrics and Targets	Greenhouse gas emissions	II. Environmental Protection and Low-carbon Operation
	Climate-related transition risks	II. Environmental Protection and Low-carbon Operation
	Climate-related physical risks	II. Environmental Protection and Low-carbon Operation