

Qingling Motors Co., Ltd.
2024 Environmental, Social and
Governance (“ESG”) Report

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About This Report

This Environmental, Social and Governance Report (the “**Report**”) provides information of Qingling Motors Co., Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) on its full-scale implementation of environmental, social and sustainable development concepts, and measures and performance in relation thereto in 2024. The Report is to be read in conjunction with the Corporate Governance Report contained in the 2024 Annual Report of the Group so as to have an overall understanding of the environmental, social and governance performance of the Group.

Scope of the Report

The Report covers the businesses which the Group has control over and has significant influence in their environmental and social aspects, and discloses the main measures and activities conducted by the Group during the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”). The scope of the Report includes the Company and its subsidiaries.

Basis of Preparation

The Report is prepared by the Group in accordance with Appendix C2 *Environmental, Social and Governance Reporting Code* (the “**ESG Reporting Code**”) of the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions of the *Environmental, Social and Governance Reporting Code*, and has been prepared in accordance with the reporting principles of materiality, quantitative, balance and consistency.

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

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

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

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

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

Language of the Report

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

Stakeholder Engagement

Thanks to the participation and support contributed by the internal stakeholders in preparation of this Report, the Group is able to have a clearer understanding of its progress in environmental and social aspects. You may

access electronic version of this report by clicking “Investor Relations” at the official website of the Company (<http://www.qingling.com.cn>) or the website of the HKEX HKEXnews (<http://www.hkex.com.hk>).

Feedbacks

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

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1 About Us

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

As a benchmark enterprise in the commercial vehicle industry, Qingling Motors Group has always regarded technological innovation as the core of its development. The Group's products cover a full range of Isuzu light, medium and heavy commercial trucks with international advanced technical quality, six series of diesel and gasoline engines ranging from 100 horsepower to 520 horsepower, as well as Qingling's own brand of traditional fuel and new energy commercial trucks. In the traditional fuel vehicle sector, our products are widely utilized by mainstream customers in key domestic industries such as petroleum, postal services, telecommunications, finance, power, and tobacco, as well as high-value-added modified vehicle customers and various other users in other industries like municipal, sanitation, firefighting, refrigeration, and airport services. In terms of new energy models, Qingling Motors' EVM100, with its outstanding product features and cutting-edge advanced technology, stood out among over a hundred competing products and was awarded the 2024 "New Energy Leading Model," setting a new benchmark for the new energy commercial vehicle market. In overseas markets, our products are primarily exported to regions such as Japan, Europe, and the United States, serving several well-known multinational corporations in these areas.

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

2 Statement of the Board of Directors

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

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

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

3 Corporate Governance

Qingling Motors regards corporate governance as its cornerstone, deeply integrating ESG principles into every aspect of its operations. Through the establishment of a scientific and rigorous governance framework, a diverse and inclusive decision-making mechanism, and a steadfast commitment to compliance and ethics, Qingling Motors is dedicated to creating an exemplary model of corporate governance, so as to generate lasting value for the environment, society, and the sustainable development of the Group.

3.1 Board Diversity

- **Board Structure**

The board of directors of Qingling Motors Co., Ltd. consists of 11 members, gathering individuals from diverse fields, with varied professional backgrounds and extensive experience to foster multi-dimensional thinking and provide comprehensive, forward-looking perspectives for the Group's strategic decision-making.

- **Board Diversity Policy**

The Group attaches great importance to board diversity as a key element in promoting good governance and sustainable development of the Group. When formulating diversity policy, the Group takes into account multiple dimensions, including gender, age, educational background, professional skills, industry experience, and nationality.

- **Director Competence**

The board of directors at Qingling Motors demonstrates exceptional professional competence and diverse leadership skills. They have accumulated a profound knowledge reserve in the automotive industry, and some directors have keen insight and research capabilities in the fields of new energy vehicle technology and intelligent network technology, thus providing important guidance for the Group to meet market challenges and achieve product upgrades. The outstanding leadership and decision-making abilities of the directors enable the Group to make decisive and timely decisions based on the accurate judgment of industry trends and in-depth understanding of the Group's reality in a complex and changing competitive environment, formulate strategic plans that fit the long-term development of the Group, and lead the Company to achieve sustainable development.

- **Corporate Governance**

The Group has established a comprehensive governance system, with the board of directors at its core, clearly defining the division of responsibilities and checks and balances among the general meeting of shareholders, the board of directors, the supervisory board, and the management. The board of directors is responsible for strategic decision-making and the review of major matters, regularly convening meetings to discuss development directions, investment plans, and operational strategies. The supervisory board performs its oversight function, strictly monitoring

the financial status and the performance of directors and senior management to ensure the Group's operations are legal and compliant. In terms of institutional development, the Group has established policies and procedures covering financial management, human resources, risk management, and compliance management, standardizing all operational activities to ensure stable and efficient operations. Particularly in risk management, the Group has implemented a robust mechanism for risk identification, assessment, and response, continuously monitoring market, technological, and financial risks, and developing contingency plans to mitigate negative impacts. In compliance management, the Group strictly adheres to national laws, regulations, and industry standards, ensuring compliance at every stage and safeguarding its market image and brand reputation. Through this comprehensive governance system, Qingling Motor has achieved stable operation and laid a solid foundation for achieving ESG goals.

Indicator	2024	Unit
Number of board members	11	Persons
Percentage of female board members	9%	Percentage

3.2 ESG Governance

The board of directors, as the highest decision-making body for the Group's ESG work, is responsible for overseeing and approving the Group's ESG strategies and management policies. Specifically, the board of directors is tasked with identifying, assessing, prioritizing, and managing significant ESG-related matters, accurately evaluating ESG-related risks, and ensuring the establishment of an appropriate and effective ESG risk management and internal control system. In addition, the board of directors approves the Group's ESG-related goals and reviews the progress made toward achieving these goals.

The ESG working group, as a subordinate unit under the board of directors, assists it in the top-down coordination and management of the Group's ESG-related matters. The members of the working group primarily consist of functional department heads from the Company and its subsidiaries. Its core responsibilities include formulating the Group's ESG management strategies and related institutional processes, identifying, assessing, prioritizing, and managing significant ESG-related matters, analyzing the potential risks, opportunities, and impacts of key ESG issues on the Group's business development, and establishing a practical and effective ESG risk management and internal control system.



In the process of implementing the ESG strategy, the Group has adopted comprehensive and

systematic measures to vigorously promote the coordinated development of environmental, social, and governance aspects. The Group's annual key ESG management work extensively covers areas such as workplace safety, occupational health, product quality, after-sales service, investor relations, consumer rights protection, compliance management, employee rights protection and career advancement opportunities, environmental protection, and more. By advancing these key works in all directions, the Group continues to enhance its ESG performance, steadily progressing toward its ESG goals.

At the environmental governance level, the Group has established a comprehensive environmental protection management system and framework. It strictly follows standards and norms, and carefully formulates environmental protection work plans to ensure the effective implementation of environmental protection work in all departments. To enhance the board of directors' professional expertise and knowledge in the ESG field, the Group continuously strengthens ESG-related training, improving the board of directors' ability to identify and assess ESG risks and opportunities. This ensures that the board of directors can efficiently approve ESG-related goals and annual ESG reports. With the collaborative support of the ESG working group, the board of directors is able to manage ESG-related matters more effectively.

3.3 Compliance and Business Ethics

The Group attaches great importance to anti-money laundering and clean governance. The Group strictly complies with the provisions of the *Anti-Money Laundering Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, as well as relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Tendering and Bidding Law of the People's Republic of China*, the *Anti Unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on Prohibiting Commercial Bribery*. At the same time, the Group has formulated a series of policies and regulations, such as the *Bidding Management Measures*, *Interim Measures for Performance Benefits* and *Business Expenditure Management*, and *Provisions on Reiterating the Discipline of Clean and Honest Work of Leading Cadres*, so as to ensure that all business activities are legal and compliant.

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

1. Supplier Integrity Commitment Letter: the Group requires suppliers to sign an *Integrity Commitment Letter*, promising to strictly abide by national laws and regulations as well as the provisions of integrity in business dealings, and never harm the interests of the country or the Company. The commitment letter specifically stipulates that no gifts shall be given to the Company's employees, no banquets or entertainment activities shall be provided, and no full-time or part-time work shall be arranged for the Company's employees. If the supplier violates the commitment, they will face corresponding penalties.
2. Anti-corruption training: the Group organized anti-corruption training sessions in a regular basis to strengthen the integrity awareness of directors and employees. For example, such as "Pre-Festival Integrity Requirement Training" for the management of key positions before

statutory holidays, organizing the management and employee of key positions to watch integrity education warning films and holding anti-corruption working sessions. During the Reporting Period, the Group conducted a total of 187 anti-corruption training sessions. Directors attended an average of 30 hours of anti-corruption training, while employees attended an average of 84.5 hours of anti-corruption training.

3. Internal Audit Regulation: the Group formulated the *Internal Audit Regulation and Measures for Implementation of Internal Audit*, and the Audit Department audits and supervises the Company, subsidiaries and relevant personnel independently and objectively at regular intervals. Anyone who violates national laws and regulations or regulations of the Company will be punished according to relevant regulations, and they will be transferred to judicial authorities if they are suspected of crime. During the Reporting Period, the Group did not have any corruption litigation cases.

Case: Party Conduct and Integrity Building and Anti-Corruption Education

On the morning of December 5, in order to deepen the education on Party discipline and strengthen the education, management, and supervision of Party members and cadres, the Group's Commission for Discipline Inspection and the Office of the Supervisory Commissioner's Office organized an integrity education session for 26 newly appointed leading cadres. The session was led by Group leaders, and attendees collectively watched an educational warning film. The meeting clearly emphasized the need to fully reinforce the construction of work style and discipline, deeply implement measures to address both symptoms and root causes, and rigorously advance the work of Party conduct and integrity building as well as the fight against corruption. The aim is to build an indestructible safeguard system to ensure the preservation and appreciation of state-owned capital and to pave the way for the enterprise's high-quality development.



Figure: Conducting integrity education for 26 newly appointed leading cadres

To strengthen the construction of a clean and honest administration, the Group has established a reporting procedure. During the Reporting Period, we further enhanced the effectiveness of this procedure through improvements in the following three aspects:

1. We formulated the *Work Rules for Handling Reports and Complaints by Discipline Inspection and Supervision Authorities* and established a reporting platform. By leveraging internet technology and information tools, we ensure the accessibility of reporting channels and the standardization of the handling process. This enables efficient processing of reports and complaints, ensuring transparency and fairness throughout the procedure.
2. We entered into the *Transparent Procurement Agreement* with suppliers, explicitly stipulating that both parties must comply with national laws and regulations as well as the principles of integrity in business operations. This agreement promotes fair, just, and transparent procurement practices and strictly prohibits any illegal or unethical behavior. If a supplier violates the agreement, we will impose corresponding penalties based on the severity of the violation, including fines, blacklisting, and disqualification from the supplier pool. This initiative not only standardizes the procurement process, but also strengthens integrity management within the supply chain.
3. We have established multiple channels for complaints and reporting, such as dedicated hotlines and email addresses, to promptly receive and address complaints and reports related to corruption, bribery, extortion, fraud, money laundering, and other illegal activities. The Group's Commission for Discipline Inspection and the Office of the Supervisory Commissioner, as professional bodies responsible for oversight, discipline enforcement, and accountability, have taken a series of actions. They strengthened the deterrence of "dare not corrupt" by handling cases seriously and continuously rectifying work style. By focusing on key areas and critical processes, they conducted special inspections and routine supervision, identified and plugged regulatory loopholes, and strengthened the institutional barriers of "cannot corrupt." Through intensified warning education and timely reminder talks at early signs, they fostered a conscious awareness of "do not want to corrupt." Through these efforts, the Company has established a long-term mechanism of "dare not corrupt, cannot corrupt, do not want to corrupt" to ensure that employees always remain vigilant against corruption and build a solid defense line against corruption.

3.4 Identification and Analysis of Material Issues

The Group deeply recognizes that maintaining good communication and interaction with various stakeholders is the key to the sustainable and healthy development of the Company. Therefore, we actively identify and respond to the needs of various stakeholders, and is committed to achieving a mutually beneficial and win-win development situation.

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

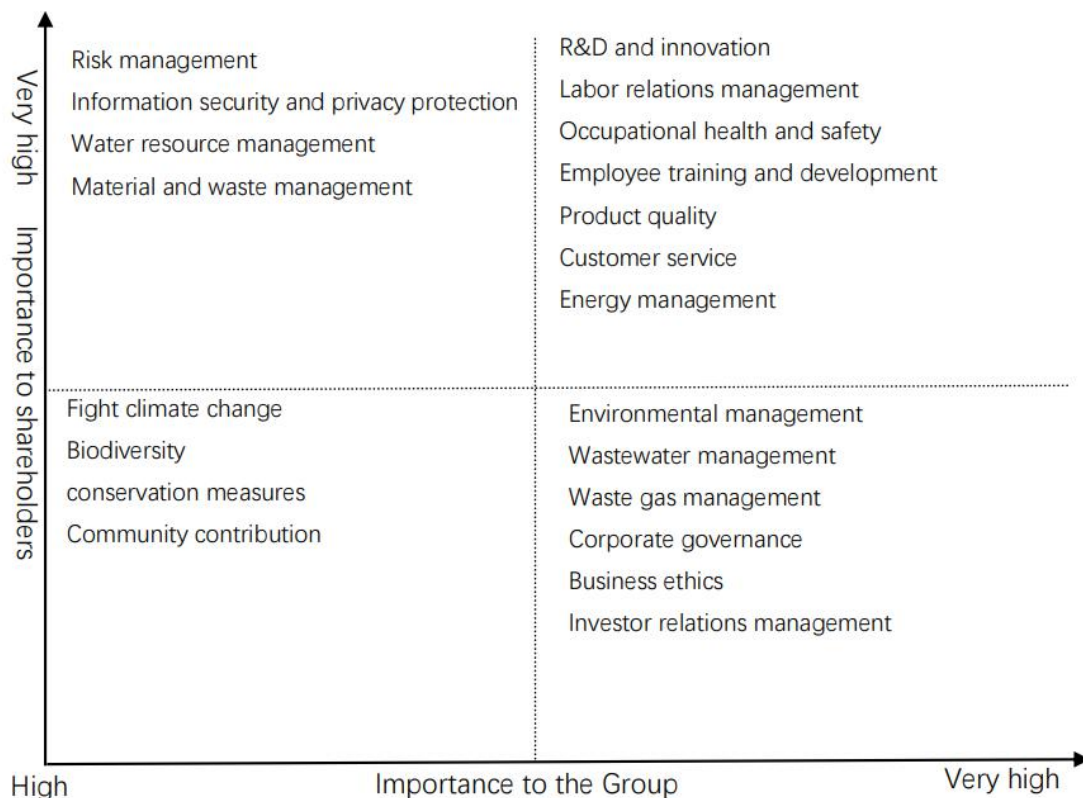
Table 1 Communication mechanism and expectations of the stakeholders

Stakeholder	Communication mechanism	Expectations of the stakeholders	Key focus issues
Government	<ul style="list-style-type: none"> • Daily management • Meetings • Monitoring and inspections • Monthly report to the SASAC (work report) 	<ul style="list-style-type: none"> • Compliance with laws • Paying taxes according to the law • Emissions management • Support local development 	<ul style="list-style-type: none"> • Risk management • Corporate governance • Business ethics • Investor relations management • Environmental management • Wastewater management • Waste gas management • Water resource management • Material and waste management • Climate change response • Biodiversity conservation measures
Shareholders	<ul style="list-style-type: none"> • Shareholders' meeting • Information disclosure • Activities promoting investor relations 	<ul style="list-style-type: none"> • Continued development and return to shareholders • Information disclosure and investor relations • Corporate governance and risk control • Compliant operations 	<ul style="list-style-type: none"> • Risk management • Corporate governance • Investor relations management • R&D and innovation • Information security and privacy protection
Clients	<ul style="list-style-type: none"> • Call center • After-sales services • Repair station 	<ul style="list-style-type: none"> • High-quality products • High-quality services before and after sales • Consumer communication channels • Protecting the 	<ul style="list-style-type: none"> • Product quality • Customer service • Information security and privacy protection

Stakeholder	Communication mechanism	Expectations of the stakeholders	Key focus issues
		rights and interests of the clients	
Employees	<ul style="list-style-type: none"> Employee trainings Employee activities and employee care Monthly digest Conversation with the disciplinary inspection commission Corruption reporting procedures 	<ul style="list-style-type: none"> Guarantee of salaries and welfare Favorable working environment and development platform Equal opportunities for promotion and development Occupational Health and Safety Smooth communication channels 	<ul style="list-style-type: none"> Labor relations management Occupational health and safety Employee training and development
Partners	<ul style="list-style-type: none"> Project negotiations Assessment and inquiry Communications in the course of cooperation Supplier assessment and evaluations Open bidding and tendering Information-based construction Tip-off procedures 	<ul style="list-style-type: none"> Keeping promises Equal, open and fair procurement Transparent procurement agreement Development with mutual benefits 	<ul style="list-style-type: none"> Supply chain management Business ethics Information security and privacy protection
Community	<ul style="list-style-type: none"> Charitable domination 	<ul style="list-style-type: none"> Promoting environmental protection Raising public awareness Promoting community harmony 	<ul style="list-style-type: none"> Community contribution Environmental management Wastewater management Waste gas management Water resources management Materials and waste management Fight climate change Biodiversity conservation measures

In the process of addressing the concerns of stakeholders, the Group places particular emphasis

on in-depth research into material issues. To this end, the Group has developed a meticulous research plan, utilizing methods such as symposiums, questionnaires, and data analysis to comprehensively understand the level of concern and expectations of various stakeholders regarding these issues. Through detailed analysis of the research data, the Group has identified the aforementioned issues as material issues for the current reporting period and will respond to stakeholder expectations on these issues through the dual-materiality results. Simultaneously, the Group will closely monitor the annual changes in these issues to promptly adjust the Group's strategy and operational plans, ensuring the Group's sustainable and healthy development.



3.5 Supply Chain Management

The Group prioritizes compliance and sustainable development in supply chain management, and strictly follows national regulations and implements internal policies, thereby building a high-quality, efficient and win-win supply chain system in all aspects.

In terms of policy and regulation, by signing the *Basic Contract for Parts Procurement* and the *Transparent Procurement Agreement* with suppliers, the Group has clarified the basic matters of procurement transactions, emphasized the requirements of integrity, guaranteed the fair, just and transparent procurement process, restricted the business dealings between the two parties, and ensured the implementation of "Transparent procurement".

In the supplier selection and qualification process, the Group operates in accordance with the *Management Measures for the Procurement, Trial Production, and Testing Evaluation of New Socially Sourced Parts*. Led by the Parts Procurement Department, a promotion team comprising

professionals from procurement, development, quality, planning, and other relevant departments is established to oversee the end-to-end management of new socially sourced parts. It is responsible for site selection, technical exchanges, bidding, negotiations, pricing, and finalization, as well as trial production and testing evaluation of parts, ensuring stringent control over supplier selection and qualification. In addition, clear requirements are imposed on suppliers regarding employee employment, safety and health, and environmental protection, and audits are conducted to ensure compliance with labor laws, health and safety regulations, and environmental protection laws. This ensures that their practices align with the standards for employment, safety and health, and environmental protection.

In daily management, in order to foster a survival-of-the-fittest environment and continuously refine the supplier system, the Group implements the *Supplier Performance Evaluation Management Measures*, conducting annual quantitative assessments of suppliers across three dimensions: quality, supply assurance, and commercial aspects. Suppliers that fail to meet the standards will be phased out based on the evaluation outcomes. For those suppliers that voluntarily seek to withdraw, the Group shall ensure that the withdrawal procedure is smooth and compliant with regulations according to the *Supplier Exit Management Process*.

During the Reporting Period, the Group's supply system comprised 634 active parts suppliers, including 632 domestic and 2 overseas suppliers. In order to enhance supplier capabilities, the Group adheres to the principle of "paying all dues promptly and expediently" towards small and medium-sized enterprises, and avoids malicious delinquency with the help of systems, mechanisms, processes and informational controls. Furthermore, the Group has leveraged digital means to refine the SRM logistics information system and improve the efficiency and precision of procurement and logistics management. The Group also actively encourages suppliers to replace fuel-powered vehicles with hydrogen-fueled ones for deliveries during vehicle replacement, contributing to the reduction of greenhouse gas emissions. In terms of supplier selection strategy, on the one hand, the Group comprehensively considers the variety, quality, price, delivery cycle, production and R&D capabilities of raw materials provided by suppliers, selects the best and negotiates to establish strategic partnerships, such as cooperation with Bosch in various fields; On the other hand, the Group has introduced industry-renowned and technology-leading key parts suppliers to provide strong support for the technological upgrading and innovative development of enterprise products.

4 Environmental Protection

In our operations, the Group centers on the equilibrium between environmental protection and economic efficiency, dedicating ourselves to concentrating on environmental affairs to realize the sustainable development objectives of both environmental and economic realms.

4.1 Environmental Protection System

In practical actions, the Group has established a comprehensive environmental protection management system and framework, and actively oversees the strict implementation of specialized environmental regulations across all departments and subsidiary companies to ensure a stable and long-term green development road. In order to improve environmental protection standards and reduce pollutant emissions, the Group continues to invest special funds to upgrade and transform the environmental protection facilities of the production lines, and adopts advanced environmental protection technologies and equipment. All construction projects of the Group have been implemented in strict accordance with the principle of “three simultaneities”, i.e., simultaneous design, construction and putting to operation of the environmental facilities and the main construction facilities.

Environmental protection management system
● Environmental management and protection responsibility system at all levels
● Solid waste management responsibility system
● Environmental protection equipment, facilities management system
● Overall plan for environmental protection emergencies
● Construction project environmental management and "three simultaneous" evaluation system case
● Regulations on the management of hazardous waste storage sites
● Hazardous waste management system
● Noise control regulations

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

4.2 Environmental Management System

The Group always adheres to national and local environmental protection laws and regulations, including but not limited to: the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Chongqing Comprehensive Emission Standards for Air Pollutants* updated by the Chongqing Ecological Environment Bureau (formerly known as the Chongqing Environmental Protection Bureau) and the Chongqing Quality and Technical Supervision Bureau in 2016, the implementation plan of the Chongqing "Blue Sky Action", the *Emission Standards for Air Pollutants from Automotive Manufacturing Surface Coating (DB50/577-2015)* issued by Chongqing in 2015, the *Emission Standards for Air Pollutants from Industrial Furnaces and Kilns (DB50/659-2016)* issued by Chongqing in 2016, as well as the emission standards specified in the pollution discharge permit. In addition, the Group has completed the relevant work of carbon emission quota verification, carbon emission rights purchase, environmental protection tax payment, etc. in accordance with the law and regulations, and has not violated any major laws and regulations related to exhaust gas and greenhouse gas emissions, water and land pollution discharge, and hazardous and harmless waste generation.

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

In terms of the construction of environmental management policies, the Group has formed a complete system, including various levels of environmental management and protection responsibility system, solid waste management responsibility system, environmental protection equipment and facility management system, and overall plan for environmental protection emergencies. These policies constitute the cornerstone of the Group's environmental protection work, ensuring that the Group can effectively fulfill corporate social responsibility while pursuing economic benefits.

In the production process, the Group focuses on the impact of production activities on the environment, and disposes of hazardous waste and general solid waste in accordance with the law to ensure compliance with discharge standards. In terms of exhaust emissions, the Group strictly complies with relevant laws and regulations, and significantly reduces the emissions of atmospheric pollutants through the implementation of coal-fired boiler clean energy ("coal to gas") project. The Group is equipped with vehicle body painting, axle coating, frame painting, gearbox paint repair, welding fumes dust removal, boiler low-nitrogen combustion and other treatment equipment to ensure the emission to meet the relevant standard limits of Chongqing city.

In terms of resource usage management, the group has established clear targets for energy use

efficiency and emissions: the 2024 combustion indicators are set at 805.07 kWh for single vehicle production electricity consumption and the single vehicle production gas consumption is 120.12 cubic meters per vehicle.

To achieve this goal, the group has implemented the following steps:

1. **Lean Production Optimization:** The Group has fully advanced the lean production organizational model. On one hand, we focus on enhancing production efficiency through process optimization and technological innovation, significantly reducing production cycles; On the other hand, we strictly control the equipment start-up and shutdown times with precise management, effectively reducing power loss during standby modes.
2. **Enhanced Equipment Inspection:** The Group has increased the frequency of inspections of production equipment, with a particular focus on identifying and addressing "leakage and spillage" phenomena. This proactive approach ensures that energy waste issues are promptly identified and resolved, guaranteeing that equipment operates efficiently and with low consumption.
3. **Precision Air Conditioning Control:** The Group strictly enforced air conditioning usage regulations and implements meticulous management. When the ambient temperature is lower than 28 ° C in summer and higher than 13°C in winter, the use of air conditioning is strictly prohibited. In addition, the Group adheres to the principle of turning off the air conditioning when no one is present and closing doors and windows when the air conditioning is in use. Air conditioning should be turned on half an hour after work starts and turned off half an hour before work ends. During holidays or when only a few people are working overtime, the Group will avoid using central air conditioning as much as possible to maximize electricity savings.
4. **Rational Control of Non-Working Hours Electricity Usage:** During holidays and non-working hours, the Group reasonably reduced the number and duration of use of electrical equipment such as elevators and electric water heaters to minimize unnecessary energy consumption.
5. **Equipment Upgrades:** The Group gradually phases out high-energy-consuming old electrical equipment and continuously promote equipment upgrades to reduce energy consumption at the source.
6. **Priority on Energy-Efficient Equipment:** In the planning and implementation of new, renovated, or expanded production lines, the Group prioritizes energy-efficient equipment, achieving high-efficiency energy savings from the beginning of project construction.
7. **Target Decomposition and Evaluation:** The Group has formulated special economic responsibility targets for 2024, broken down energy-saving and consumption reduction indicators to each workshop and manufacturing department, and carried out regular assessment and evaluation to ensure the effective implementation of energy-saving tasks.
8. **Extensive Energy-Saving Publicity Activities:** The Group actively organized energy-saving

publicity exhibitions, issued energy-saving proposals, and carried out energy-saving publicity activities in a multi-channel and all-round way. The Group strives to cultivate employees' awareness of energy saving, guides employees to extend the concept of energy saving to family life, and promotes the formation of positive social ethos of energy conservation and low-carbon living.

4.3 Exhaust Emissions

The Group always strictly complies with national and local environmental protection laws and regulations, including but not limited to the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Chongqing Comprehensive Emission Standards for Air Pollutants*, the *Comprehensive Emission Standards for Air Pollutants*, the *Emission Standards for Air Pollutants from Industrial Furnaces*, the *Emission Standards for Air Pollutants from Surface Coating in Automobile Manufacturing* and the *Emission Standards for Odorous Pollutants*, etc.

In terms of internal management, the Group continuously optimizes its exhaust gas emission-related systems, establishing a rigorous supervision and management mechanism to strictly control exhaust emissions.

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

- Successfully implemented the coal-fired boilers clean energy ("coal to gas") project through replacing coal-fired boilers with newly built gas boilers, significantly reducing the emissions of atmospheric pollutants such as smoke, nitrogen oxides (NO), and sulfur dioxide (SO);
- equipped with advanced treatment facilities, such as coating, welding fume dust removal, and low-nitrogen combustion devices for boilers, effectively reducing exhaust gas concentrations and ensuring compliance with emission standards;
- improved the environment of the welding workshop, strengthened removal and treatment of welding fume and dust in the car-frame workshop and maintained continuous and stable compliance emission of welding fume; installed VOCs treatment equipment to ensure that volatile organic compound emissions from processes such as coating, axle, frame, and transmission manufacturing meet national standards;
- performed low-NOX renovation on gas boilers to ensure that their emissions fully comply with the requirements of the *Boiler Air Pollutant Emission Standards (DB50/658-2016)*;
- adopted energy-saving and technological transformation measures to reduce energy consumption and greenhouse gas emissions. The Group is committed to creating a green production model to contribute to sustainable development.

4.4 Climate Change

In order to ensure effective control and supervision of greenhouse gas emissions, the Group has formulated and implemented corresponding policies and systems. These policies and systems

include actively cooperating with government authorities to promote environmental protection work, carrying out energy-saving renovation projects, and implementing energy-saving policies to reduce energy consumption, and thereby reducing greenhouse gas emissions.

4.4.1 Climate Change management

In the management of greenhouse gas emissions, the Group has set emission targets relating to waste gas and greenhouse gas emissions as follows: lower than the previous year. During the Reporting Period, the Group implemented the following measures, resulting in Scope 1 greenhouse gas emissions of 10,145.57 tons of CO₂ equivalent and Scope 2 greenhouse gas emissions of 19,491.13 tons of CO₂ equivalent.

- Implemented lean production: Optimized production organization, improved production efficiency, shortened production time, and reduced energy consumption and emissions.
- Strengthened equipment inspections: Increased efforts to inspect equipment and vehicles on the production site for leakage and spillage, preventing energy waste and reducing exhaust gas dispersion.
- Upgraded equipment and facilities: Gradually phased out high-energy-consuming equipment, reducing energy loss and greenhouse gas emissions at the source.
- Conducted energy-saving publicity: Organized energy-saving publicity exhibitions, fostered a low-carbon atmosphere, promoted the formation of positive social ethos, and contributed to achieving energy-saving and emission-reduction goals.

In addition, the Group values the power of its employees. The Group actively organized energy-saving publicity exhibitions, and issued energy-saving proposals. The Group strives to cultivate employees' awareness of energy saving, guides employees to extend the concept of energy saving to family life, and promotes the formation of positive social ethos of energy conservation and low-carbon living.

4.4.2 Climate Risk Management

The Group comprehensively assessed the likelihood of climate risks and their potential impacts with qualitative approach, identifying the possible negative effects of climate change on the group's assets, supply chain, trade, and transportation, as well as the potential opportunities arising from the green transition. Based on this assessment, a list of climate change risks and opportunities was compiled, and corresponding response measures were formulated.

In 2024, we further identified physical and transition risks related to the Group's operations. Aligning with the Group's strategy and development, we developed targeted response measures:

Risk Category	Risk Description	Response Measures
Increasingly stringent environmental regulations	With the advancement of "Dual Carbon" strategy, environmental regulations are expected to become increasingly stringent, potentially imposing higher	Strengthen the tracking and interpretation of domestic and foreign environmental regulations, and adjust production and

Risk Category	Risk Description	Response Measures
	requirements on the Group's existing business models.	operation strategies in advance to meet the latest requirements.
Changed industry standards	Due to the continuous rise in technical standards and entry barriers within the new energy vehicle industry, the Group's existing products and technologies may struggle to adapt to market changes.	Actively participate in the development of industry standards, promote technological innovation, and develop new products that meet future standards.
Fluctuations in raw material supply	Climate change may lead to rising raw material prices or supply chain disruptions; in particular, the stability of key components (such as battery materials) may be affected.	Diversify the supply chain layout, establish an emergency reserve mechanism, and reduce the risk of dependence on a single supplier.
Rising customer environmental expectations	Increasing customer demands for product environmental sustainability and eco-friendliness may result in the Group's existing products failing to meet market requirements.	Enhance communication with customers to gain a deeper understanding of their needs and develop targeted low-carbon, high-efficiency product solutions.

Opportunity Category	Response Measures
Hydrogen energy industry development	Leverage Qingling's strengths in hydrogen fuel cell commercial vehicles, continue to expand the deployment of hydrogen energy vehicles, and promote the construction of the Chengdu-Chongqing Hydrogen Corridor.
Policy support	Actively seek policy support from local governments and relevant departments, utilize tax incentives, subsidies, and other policy benefits to drive green technology R&D and industrial application.
Industry standards upgrade	View changes in industry standards as opportunities, consolidate market position through technological innovation and industrial upgrading, and build differentiated competitive advantages.
Carbon trading market	Participate in the carbon trading market, generate revenue by selling carbon quotas or credits, and simultaneously advance the group's carbon emission reduction efforts.

4.5 Energy Management

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

The Group's Utilities Management Department has set a special energy management position, and formulated internal policies including the *Measures for Management of Energy Conservation* and the *Equipment Utilities Management and Assessment System* for uniform management of energy conservation of the Group and further strengthening the control of greenhouse gas emissions. The Group has also formulated the *Energy Statistics Reporting System*, the *Measurement Management Measures*, etc. to ensure regular supervision and inspection of energy conservation of each department and subsidiary, and formulate corresponding energy conservation measures accordingly.

The Group has taken various energy-saving measures aimed at improving comprehensive energy efficiency. For example, the Group has set clear energy-saving targets and ensured the achievement of energy-saving goals by actively promoting energy-saving, replacing with energy-saving equipment, coordinating electricity consumption, and conducting energy-saving supervision and inspection work. In addition, the Group has developed detailed implementation plans for each energy-saving technology and tested the energy consumption status after implementation to evaluate the energy-saving effect and economic benefits. Every year, the Group also conducts a comprehensive inspection of energy-saving projects to confirm the energy-saving effect. At the same time, the Group advocates for the awareness of energy conservation among all employees, sets the goal of improving their awareness of energy conservation, implementing various energy-saving measures, and establishing a mechanism for checking and assessing energy conservation among all employees.

In terms of energy efficiency, the Group has set specific targets for the electricity and gas consumption of single vehicle production, and achieved these goals through streamlining production organization, strengthening equipment management, and improving energy-saving awareness. During the Reporting Period, the Group consumed 36,323,391 kWh of electricity, 407,556 m³ of water and 4,473,697 m³ of natural gas.

4.6 Packaging Materials and Waste Management

The Group strictly complies with relevant national and local laws and regulations, such as the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China* and the *Chongqing Environmental Protection Regulations*, and has formulated the *Regulations on the Management of Hazardous Waste Storage Sites* and the *Hazardous Waste Management System*, the *Pollution Control Standards for the Storage and Disposal Sites of General Industrial Solid Waste* and the relevant provisions of domestic waste unified collection and treatment by the sanitation department to ensure the proper storage and professional treatment of hazardous waste. In the process of waste disposal, the Group entrusts the recyclable part of solid waste to qualified enterprises for recycling and utilization; for other waste that cannot be recycled, it assigns special personnel to manage by internal accounts so as to ensure that the waste is classified, collected, and properly stored in a fixed location. Ultimately, these wastes will be entrusted by the logistics department to the municipal sanitation department for unified collection and treatment.

Waste reduction target set by the Group: lower than the previous year.

Specific measures taken included:

- Improve efficiency through lean production: Optimized production organization models, promoted lean production, enhanced production efficiency, shortened production cycles, and reduced resource consumption and operational costs.
- Enhance control at coating sites: Strengthened supervision at coating production sites to ensure the full utilization of materials such as paint and thinner, reduced the generation of contaminants and packaging materials, improved resource utilization, and lowered waste emissions.
- Environmentally dispose of waste: Required disposal units to prioritize incineration for treating sludge and other waste generated by the Group to minimize landfill, and reduce the occupation of land resources and environmental impact.

The Group stored hazardous wastes in a special storage site, and engaged a qualified professional company to treat the hazardous wastes. In addition, the Group has standardized the disposal of oily metal scraps in accordance with relevant regulations and standards, and has renovated the storage site by adding filtering and blocking machines to improve processing efficiency. During the Reporting Period, the total amount of hazardous waste discharged by the Group was 357.26 tons and the total amount of non-hazardous waste discharged was 10.41 tons.

The Group is committed to sustainable development by selecting sustainable materials and strictly controlling total and unit consumption. For packaging materials, a variety of options such as wooden crates, cardboard boxes, and iron cases are utilized.

4.7 Water Resource Management

4.7.1 Water conservation

The Group strictly adheres to the provisions of the *Water Law of the People's Republic of China* and other relevant laws and regulations. The Group actively seeks external cooperation, collaborates with various manufacturing units to develop a series of water-saving measures for water resource management, and continuously optimizes water resource management strategies to improve the efficiency of water resource utilization.

The Group has set clear water efficiency goals: strengthen the awareness of water conservation among all employees, and ensure that the growth rate of water consumption does not exceed the growth rate of the Group's annual task completion. To achieve this goal, the Group has taken the following measures: firstly, posting energy-saving reminders at each water use place to cultivate water-saving habits of employees; secondly, regularly conducting statistical analysis on water consumption, promptly identifying and handling abnormal situations, developing reasonable measures for rational water utilization, and ensuring the implementation of relevant work. In addition, the Group also regularly inspects each water use place and main and auxiliary water pipeline to timely address the problem of "leakage and spillage". At the same time, the Group integrates water-saving promotion and education into our daily work. Through organizing energy-saving promotion exhibitions, distributing proposal letters and other forms, we encourage

employees to spread water-saving concepts in their families, and jointly create a water-saving social trend.

In terms of annual water consumption and unit water consumption management, the Group has set the water consumption for the production of a single vehicle at 5.6 tons/vehicle in 2024. To achieve this goal, the following measures have been formulated:

1. Strengthen water conservation awareness education: Posted water-saving reminders at all water usage points to enhance employees' awareness and encourage the development of water-saving habits.
2. Collect and analyze energy consumption data: Conducted monthly statistical analysis of energy consumption data to promptly identify and address abnormalities, achieving refined water usage management.
3. Develop and implement water-saving Measures: Formulated reasonable water usage plans and vigorously promoted the execution of related measures to ensure effective water conservation efforts.
4. Enhance inspection of water facilities: Routinely inspected all water usage points and main/auxiliary water pipelines, promptly addressing the problem of "leakage and spillage" to reduce water resource waste.
5. Break down and evaluate goals: Established specific economic responsibility targets for 2024, breaking down water-saving and consumption reduction tasks to each workshop manufacturing department, and conducted regular assessments to ensure the achievement of water-saving goals.

During the Reporting Period, the Group's outsourced water consumption was 407,556 tons, representing a decrease of approximately 12.29% compared to the same period last year. The Group primarily sources water from municipal water supply pipelines and faces no challenges in securing water resources.

4.7.2 Waste water discharge

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

The Group has 3 waste water treatment stations in the plant area, one of which is used to treat domestic waste water, the other two are used to treat coating waste water. Treated waste water which has reached discharge standards will be discharged into natural water bodies. The Group

also has a biochemical pool for domestic sewage to treat domestic sewage and discharge it into the municipal sewers. The Group has completed the upgrading and transformation of the coating waste water treatment station, optimized the waste water treatment process, and installed an on-line monitoring device to monitor the waste water produced in the production process in real time, so as to ensure the stable up-to-standard discharge. The Group continuously carried out the wastewater treatment and rectification work, including the cleaning and structural optimization of the wastewater treatment stations and the maintenance of relevant equipment, so as to ensure that all wastewater discharge meets the Class I discharge standard of the *Integrated Wastewater Discharge Standard*.

5 Human Resources Management

Qingling Motors adheres to a people-oriented philosophy, placing high importance on employee employment and rights protection. The Group treats employees fairly, provides high-quality working conditions and development opportunities, and fosters an efficient, inclusive, and equitable work environment. By improving training programs, optimizing compensation and benefits, and enhancing humanistic care, the Group aims to advance employees' career development and skills, strengthen their sense of belonging and well-being, and empower the sustainable development of the enterprise.

5.1 Employment and Rights Protection

The Group strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and other relevant laws and regulations. It adheres to the principle of fairness and impartiality, and respects and protects the legal rights and interests of employees, and provides superior working conditions and development opportunities. The Group opposes various forms of discrimination and is committed to creating a highly-efficient, inclusive, diversified and equal working environment.

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

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

5.2 Compensation and Benefits

The Group strictly adheres to national laws and regulations, and has established the *Compensation System Management Measures*, the *Campus Recruitment Management Measures*, the *Social Recruitment Management Measures*, and the *Position System Management Measures* to standardize the management of compensation, dismissals, recruitment, and promotions. In addition, the Group rigorously adheres to labor laws regarding working hours, leave, equal opportunities, diversity, anti-discrimination, labor standards, and other benefits and welfare, as well as the prevention of child labor or forced labor, ensuring the protection of employees' rights and interests.

Taking into account the needs of employees and national regulations, the Group has built a comprehensive welfare system, covering work-related injury insurance, unemployment insurance and other social insurance projects stipulated by the state, as well as housing provident fund and enterprise annuity, employee canteen subsidies, employee dormitory and other benefits to improve the quality of life, job satisfaction and loyalty of employees.

The Group also actively conducts care initiatives. It safeguards employees' legal rights, creates a comfortable working environment, and improves health and safety systems. The Party-mass work department organizes diverse activities to help employees achieve work-life balance.

5.3 Training and Development

The Group actively commits to the growth and development of its employees. By formulating the *Management Measures for the Cultivation, Utilization, and Evaluation of High-Skilled Personnel*, the Group strengthens innovation incentives, rewarding teams and individuals involved in new product development projects to enhance workforce vitality. In addition, the Group provides regular professional training for employees, and collaborates with universities and other institutions to conduct comprehensive training and organize competency assessments for 20 job categories, supporting their skill enhancement and career development while increasing the number of high-skilled personnel. Furthermore, the Group places great emphasis on talent selection, cultivation, appointment, and retention, creating an environment conducive to talent growth and development in all aspects, thereby providing solid talent support for the group's long-term development.

In terms of training methods, the Group adopts a strategy of combining internal training and online theoretical learning, and selects outstanding employees for offline face-to-face teaching to enhance their theoretical knowledge and practical ability. In addition, the Group carries out skill upgrading training and examination for high-skilled personnel, and has conducted training through multiple forms such as “cooperation between enterprises and universities” to further improve skill levels of the employee. For special equipment and operation personnel of special types of work, the Group has implemented regular professional training, and conducted special training for specific business. The Group attaches great importance to fire safety and regularly conducts fire protection publicity, education and training. The group offers a rich array of specialized courses. Training for team leaders includes internal courses on corporate culture and

external courses on ideological development. For high-skilled personnel, theoretical and technical training is conducted according to their specific job categories. The Group also utilizes NC programming training to focus on key technologies and employs operational analysis of mold design to address and resolve issues, driving technological advancement.

Case: Special Training Program for Newly Recruited University Graduates During Probation

In 2024, the Group conducted five special training sessions for newly recruited university graduates during their probation period, including ideals and beliefs, professional ethics, civilized etiquette, corporate culture, corporate development strategies, product knowledge, advanced manufacturing, etc., as well as 10 specialized training sessions on CATIA software. Through these training programs, the Group assisted over 70 newly recruited university graduates in quickly adapting to their new roles, enhancing their professional skills, and integrating into their work positions more effectively and swiftly. This also strengthened their sense of identification with and mission towards the Company.



Figure: Graduates training site

6 Work Safety

In the developmental journey of Qingling Motors, work safety is the foundational cornerstone. We have established a comprehensive safety production management system, implemented health measures, and fostered a culture of occupational safety, all in a concerted effort to ensure orderly production and the well-being of our employees.

6.1 Work Safety

The Group always adheres to the work safety management principle of "safety first, prevention at the core", strictly complying with the *Work Safety Law* and other relevant laws and regulations. We place the utmost importance on safeguarding the lives and health of our employees, and have established a comprehensive organizational structure and responsibility system to clearly define the work safety responsibility framework, ensuring that safety duties are effectively implemented across all positions.

In terms of emergency management, the Group regularly conducts training and drills to enhance employees' emergency response skills and safety awareness. In terms of material and equipment management, the Group has supplemented and equipped itself with necessary emergency relief materials and carried out regular inspection and maintenance of important equipment. In addition, the Group has strengthened the use and maintenance of occupational health protection equipment, regularly distributed occupational health and labor protection articles, conducted occupational health education and training, and organized occupational health check-ups to effectively prevent the occurrence of occupational diseases.

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

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

6.2 Work Safety Management System

In the work safety field, the Group always adheres to national laws and regulations, industry standards and norms. In accordance with the *Work Safety Law* and other relevant regulations, we have established safety production policies and systems. We have also formed a Safety Production Committee composed of senior leaders from the management department and the

safety and environmental protection department. This committee is responsible for organizing and promoting safety production initiatives, and overseeing the implementation of these measures across various departments.

The Group has constructed a comprehensive and strict work safety management and supervision system, covering many aspects such as organizational structure and responsibility system. Daily safety inspections are conducted in accordance with safety standardization, advancing with high standards and strict requirements. Regular and comprehensive inspections are carried out to monitor equipment conditions and the implementation of systems, so as to promptly address critical and challenging issues. As of December 31, 2024, the Group has developed and perfected 25 safety and environmental regulations, all of which are operating and functioning as required. During the Reporting Period, the Group implemented the following measures to ensure safety in production, and there were no workday losses due to work-related injuries among employees.

- Clarified the safety and environmental protection responsibilities of personnel at all levels, implemented the principle of "Who manages who is responsible, who works who is responsible, who organizes who is responsible", and required management to sign a *Work Safety Target Responsibility Letter* to fulfill "one position and two responsibilities".
- Conducted multiple safety and environmental routine meetings and thematic meetings, and completed statutory periodic evaluations such as occupational hazard assessments.
- Enforced a "daily, weekly, monthly" system for hazard investigation and management, and conducted comprehensive and specialized inspections to optimize the management system.
- Formulated emergency response plans and organized emergency rescue teams, and conduct emergency drills and practical exercises to minimize losses from unexpected incidents.
- Created comprehensive training plans covering national regulations, group policies, and job operation procedures, and provided continuous professional training for operators of special equipment and those in specialized roles to enhance employees' safety knowledge and operational skills.

6.3 Work Safety Measures

The Group has formulated comprehensive work safety policies and regulatory systems to ensure the effective implementation of various safety measures. In accordance with the *Classification Method for Environmental Accident Risk of Enterprise (HJ941-2018)*, the Group has conducted assessments and management of environmental risk substances involved in the production process to identify risk levels and develop corresponding prevention and control measures.

To ensure work safety, the Group has implemented risk control and hazard investigation, strictly enforcing risk assessment and the "daily, weekly, monthly" hazard investigation system. The Group has established a robust organizational system, formed a flood prevention leadership team and a professional emergency rescue team, and clearly defined work safety responsibilities at all levels. An effective early warning mechanism has been set up to promptly forward extreme

weather alerts and take preventive measures in advance; debris on factory roofs, gutters, and downspouts have been cleaned and repaired to ensure the structural safety of buildings; before the thunderstorm season, inspections were conducted on the leakage above important equipment and the integrity of grounding facilities to prevent equipment failure due to weather conditions. During the Reporting Period, the Group achieved the "five zeros" goal, which means no work-related injuries, occupational diseases, or excessive emission incidents.

The specific measures taken were as follows:

- Various prevention and control equipment were installed, such as protective devices in hazardous areas and maintenance of cooling facilities, to cope with the continuous high temperature weather and enhance the safety of the working environment.
- Occupational safety risk prevention and control training was a priority in our work. We introduced the safety management experience of Isuzu from Japan and established a new safety experiential training field to improve employees' safety awareness.

In terms of emergency management for employee safety risks, we focused on enhancing emergency response capabilities and strengthening the revision of emergency plans.

- Recognizing the importance of work safety, we advanced digital management by creating an on-site check-in management platform for hazard investigation and a safety training and learning platform.
- To achieve effective prevention and control of safety risks, we also implemented the management of occupational disease hazard protection equipment to ensure the safety of workers.

In various risk units such as the paint and oil storage warehouse, assembly workshop, and coating manufacturing department, the Group has established comprehensive protective measures including fire prevention, leakage prevention, and anti-static measures to prevent accidents and their escalation. The Group has also set up an emergency command system and formed a professional emergency rescue team. Regular emergency drills are conducted to enhance the capability to respond to unexpected incidents. In addition, sufficient emergency supplies such as fire extinguishers, fire sand, and absorbent cotton are equipped to ensure a swift response in the event of an accident.

In terms of emergency rescue, the Group's follow-up actions after major work safety accidents include the protection of the accident site, handling of accident pollutants, ecological restoration, post-accident disposal, loss assessment, and compensation.

During the Reporting Period, we identified a total of 1,296 potential hazards, addressed all 1,296 of them, achieving a 100% completion rate, with safety and environmental protection investments amounting to RMB17.58 million. In addition, 122 individuals were penalized for violations, with fines totaling RMB12,620.

6.4 Occupational Health and Safety

The Group strictly adheres to national laws and regulations, making every effort to safeguard the occupational health and safety of our employees. We have established a series of policies and systems to strengthen the management of occupational health protection equipment. Protective gear is distributed in accordance with standards, and regular occupational health check-ups are arranged. In addition, we have enhanced occupational health and safety education and training programs.

In terms of management measures, we actively repaired roof leaks in factory buildings, inspected and rectified issues in heat treatment storage rooms, and conducted emergency training and drills to create a safe working environment for employees. We also provided regular occupational health check-ups, ensured the maintenance of protective equipment, and standardized the distribution of protective gear.

To care for the physical and mental health of our employees, the Group organized a lecture on *Stress and Emotional Management*, carried out diverse training sessions and activities, paid attention to employee needs, and safeguarded their legitimate rights. These efforts successfully fostered a safe, healthy, and harmonious working environment, continuously improving the occupational health and safety standards for employees.

During the Reporting Period, 909 employees were scheduled for occupational health check-ups, and all 909 completed the examinations, achieving a 100% check-up rate.

Case: Special Lecture on Stress Relief and a Positive Mindset

On July 19, in light of the intense competition within the automotive industry, accelerated industrial transformation, and increasing workloads leading to heightened stress among employees, the group invited Professor Zhang Zhongming from Southwest University to conduct a special lecture titled *Stress Relief and a Positive Mindset*. Over 100 employees attended the event.

Professor Zhang began the session with a "finger exercise" and used real-life examples to explain methods for stress relief and cultivating a positive mindset. He also addressed practical issues raised by the attendees. Following the lecture, participants expressed that they had gained valuable insights and would apply what they learned to manage their pace and alleviate stress. Moving forward, the Group plans to organize a series of activities tailored to employee needs, further demonstrating its commitment to employee care and well-being.



Figure: On-site photo of mental health care seminar

Case: Employee Sports Games

On November 4, the 2024 Qingling Group Employee Sports Games officially commenced, featuring 31 participating teams and over 400 athletes, all demonstrating a spirited and competitive attitude. Following the march-in ceremony, Han Baochang, a member of the Party Committee and Chairman of the board of supervisors, delivered a speech emphasizing the importance of teamwork and perseverance for the Company's development. He encouraged employees to stay active and engage in collective activities. Subsequently, Luo Yuguang, the Party Committee Secretary and Chairman of the board, fired the starting gun to launch the "Qingling Loop Running," in which more than 200 participants enthusiastically took part. The sports games included 16 team and individual events, such as tug-of-war, providing employees with a platform to showcase their talents and foster camaraderie, thereby strengthening the Group's cohesion. Employees expressed that they would carry the competitive spirit from the games into their work, contributing to the high-quality development of the Company.



Figure: On-site photo of the employee sports games

6.5 Fostering of Safety Culture

The Group has implemented regular work safety and occupational health management training for managerial staff and frontline operational staff to ensure that they have the necessary occupational safety awareness to prevent accidents. In 2024, the joint-stock company experienced no fire accidents.

During the Reporting Period, various levels and types of safety education and training were conducted, involving over 8,810 participants. This included 389 new employees who underwent three-level safety training, 275 special operations personnel who received required/practical

training, and 111 safety and occupational health management personnel who completed certification training, achieving a 100% certification rate for all relevant personnel.

Case: Fire Knowledge Training

November 2024 is the 33rd National Fire Awareness Month. At 15:30 on the 15th, in order to enhance employees' awareness of fire safety and popularize fire knowledge, the Group conducted training lectures on fire knowledge, invited senior instructors from Chongqing Anxuan Fire Prevention Technical Consulting Center to give lectures, and more than 60 workshop, department heads and safety officers participated. The instructor, drawing from extensive experience, delivered a comprehensive and direct lesson on various aspects of fire safety responsibilities, among other topics. The content was both informative and visually engaging. This training session significantly enhanced the understanding of the importance of fire safety among the Group's responsible persons at all levels, improved their capabilities in preventing and identifying potential fire hazards, and laid a solid foundation for the Group's overall fire prevention and control strategy.



Figure: Fire knowledge training

Case: Gas Station Fire Drill

June 2024 is the 23rd National Work Safety Month in China. In June, the Security Department, in accordance with the Group's plan and annual fire safety schedule, led a well-executed fire emergency drill at a gas station. Before the drill, the Security Department developed a detailed plan and established an organizational structure with Liu Zhongwei as the on-site commander, set up multiple functional teams with clearly defined roles and responsibilities, and hold a preparatory meeting. During the drill, a scenario was simulated where a fuel spill from a refueling vehicle ignited due to static electricity. The gas station attendant promptly cut off the power and raised the alarm, while coordinating with relevant personnel for emergency response. Subsequently, all functional teams arrived on the scene, and the drill was completed within 15 minutes following the established procedures.



Figure: Gas station fire drill

7 Product Responsibility

Driven by innovation as its core principle, Qingling Motors strictly adheres to intellectual property regulations and fosters technological innovation through the establishment of robust management mechanisms. We are committed to building a comprehensive product quality and safety management system, leveraging intelligent production lines and rigorous testing to achieve zero-defect products, thereby delivering high-quality offerings to the market. In addition, we have established a nationwide, 24/7 service hotline to efficiently address customer inquiries and complaints, ensuring that customer needs are met with genuine attention and care.

7.1 Scientific and Technological Innovation

With a steadfast commitment to intellectual property rights, the Group strictly adheres to the *Intellectual Property Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Detailed Rules on Implementation of the Trademark Law*, the *Patent Law of the People's Republic of China* and the *Detailed Rules on Implementation of the Patent Law*, as well as other relevant legal provisions. In addition, we thoroughly integrate the specific regulations of Chongqing City to systematically carry out the design and filing for trademarks and patents.

In terms of protecting its own intellectual property rights, the Group formulated the *Patent Management Measures* in 2016 to carry out comprehensive planning and unified management of patent work, aiming to standardise the Group's patent affairs, promote technological innovation of enterprises, form independent intellectual property rights, promote the progress of production technology, and enhance market competitiveness and economic efficiency. Simultaneously, in response to the national "Belt and Road" development strategy and to actively expand into international markets, the Group has been applying for registration in 35 foreign countries with two trademarks since 2018, striving to establish the Qingling brand on the global stage, capture market share, and enable more users to access world-class commercial vehicles.

Throughout this process, the group has undertaken a series of in-depth intellectual property protection initiatives: Based on the overseas application status of the "QINGLING" trademark, the Group has established a specialized database to organize its overseas trademark layout and analyze the distribution of trademarks held by local competitors, thereby conducting a comprehensive analysis of intellectual property distribution; The Group has thoroughly reviewed the laws, regulations, and judicial interpretations related to trademark confirmation and infringement disputes in target countries, clarifying the principles for trademark confirmation and infringement determination, as well as evidence recognition rules; It has also searched and collected typical cases of trademark disputes, processing timelines, and procedures in target countries, while staying updated on the latest policy trends in relevant countries or regions. By integrating the overall distribution of intellectual property and the status of rights holders both domestically and internationally, the Group has conducted predictive and early-warning analysis of foreign trademarks to issue timely warnings and conduct in-depth analyses of potential cross-border intellectual property disputes. In addition, the Group actively carried out research on

enterprises related to foreign trademarks, solidifying its trademark early-warning analysis efforts. Furthermore, while vigorously defending its own intellectual property rights, the Group actively has implemented measures to fully respect and safeguard the trademark and patent rights of other stakeholders, fostering a robust intellectual property ecosystem in all aspects.

As of December 31, 2024, the Group acquired a total of 275 intellectual property rights, 273 of which are patents.

7.2 Product Quality and Safety

Since the joint venture with Japan Isuzu in 1985, Qingling Motor has always taken quality management as the core of enterprise development, and is committed to building a comprehensive and high standard product quality management system. In terms of compliance with regulations and standards, the Group rigorously aligns with the *Product Quality Law of the People's Republic of China*, the ISO 9001 quality management standards, the IATF 16949 global automotive industry quality management system certification, as well as national standards such as GB3847, GB7258, and JT/1178. In addition, it adheres to the *Regulations on the Administration of Recall of Defective Automotive Products* and national environmental emission standards, ensuring that its products achieve industry-leading levels in performance, safety, quality, and compliance.

The Group continuously refines its quality management system, formulating and implementing a series of internal management regulations. For instance, the *Physical Quality Compliance Program* strengthens the monitoring of production processes, while the *Measures for Recall of Defective Automobiles* standardises product retrieval processes. The *Product Identification and Traceability Control Procedures* ensures product traceability, and the *Customer Satisfaction Survey Process* collects extensive customer feedback through phone calls, questionnaires, and oral surveys to continuously improve product and service quality. Subsidiary companies, in accordance with ISO9001:2015 & VDA 6.4 standards, have established comprehensive product quality verification procedures. They enforce documents such as the *Product Service Release Control Procedure* and the *Non-Conforming Product Control Procedure*, and strictly manage product process inspections and shipment quality in line with the *Chongqing Qingling Mould Co., Ltd. Measurement and Inspection Management Method* and other regulations.

On the basis of Isuzu quality management system, Qingling has further innovated its quality management model by introducing the principle of "Who designs who is responsible, who makes who is responsible, who inspects who is responsible", thereby establishing a comprehensive quality management system that covers "the entire process, every link, and all elements." The Group has implemented 28 quality management activities, including 2-minute checks, torque management, online inspections, physical management, work interruption management, and equipment precision management, etc. Through methods such as process evaluation, special audits, and self-inspections, the Group continuously improves in areas like 5S, standard operations, quality, safety, and logistics, enhances the stability and reliability of process quality, and ensures that defective products are not accepted, not manufactured, and not delivered.

To enhance the core capabilities of product quality, the Group has invested nearly RMB 2 billion in recent years in the intelligent manufacturing of six major assemblies: engine, transmission, axle, vehicle body, frame, and carriage, as well as in intelligent vehicle inspection systems. This investment has resulted in the construction of 6 intelligent production lines and 4 intelligent digital workshops. The Group has established advanced automated testing methods for components, assemblies, and vehicles, achieving intelligent and digital quality control. The newly built, internationally advanced and domestically leading intelligent inspection lines for pickup trucks, light trucks, and medium-to-heavy trucks, along with two vehicle appearance inspection lines (quality gates), can utilize technologies such as laser scanning, infrared detection, and intelligent judgment, and conduct 100% inspection of 235 comprehensive items, including four-wheel positioning, lighting, side slip, braking, speed, cruise control, ABS, AEBS, 360-degree monitoring, OBD, and EV safety regulations, ensuring zero defects in product quality and guarantees that no substandard products leave the factory.

In terms of the product design, the Group adheres to the core principle of responsibility, thoroughly considering factors such as environmental friendliness, health and safety, privacy protection, and intellectual property protection. The Group has obtained the ISO 14001 Environmental Management System certification and has established a systematic management policy and process framework to ensure the sustainability and compliance of products throughout their lifecycle. Following the green design concept, we prioritize renewable materials and optimize production processes to reduce energy consumption, thereby minimizing environmental impact from the source. In terms of health and safety, we not only reinforce the vehicle body structure but also equip our products with various advanced safety systems, providing comprehensive protection for the lives and property of drivers and passengers. All products comply with national mandatory automotive standards, such as GB18352 for emissions and energy consumption, and GB11551 for safety standards.

In terms of product operation, the Group continues to deepen the digital construction. We have realized the digital management of the whole process of procurement and logistics with the help of the SRM system, which effectively standardised the process and improved the management efficiency. Through the improvement of logistics equipment, the implementation of sequential delivery and the improvement of export packaging process, the Group has improved the quality and efficiency of standardised operations, reduced labor intensity and increased labor productivity per capita; By focusing on improving the accuracy of the plan and accurately controlling the variety and quantity of arrival settlement, the inventory amount of fuel vehicles has been successfully reduced by more than RMB60 million; Through the platform construction, the proposed product merging, borrowing and other suggestions were adopted by the development department, and the cost was reduced by more than RMB400,000. In addition, the Group also takes the initiative to connect with suppliers and promote product conversion, which is expected to reduce the annual logistics and transportation cost by millions of yuan.

In addition, as the core department of product recycling management, the After-sales Service Department of the Group is fully responsible for the daily management of customer complaint acceptance and product recall according to the *After-sales Service Control Procedure*, ensuring

that all customer complaints are timely transmitted, processed and recorded. The Group achieves a 100% monthly completion rate for complaint resolution, safeguarding consumer rights and upholding the corporate brand image through high-quality after-sales service.

During the Reporting Period, the Group did not experience any incidents requiring the recall of sold or shipped products due to safety or health concerns.

7.3 Customer Service

The Group has implemented a comprehensive customer service system and an online service strategy. A nationwide 24/7 service hotline has been established to receive and address customer inquiries, complaints, and other needs. The *Customer Satisfaction Survey Process* has been formulated to assess customer satisfaction through multiple channels, including phone calls, questionnaires, and oral interviews, with the analysis results used to enhance product and service quality. Additionally, the *Customer Records Management Procedure* has been instituted to strictly prevent the leakage of customer privacy data.

In order to ensure that every customer complaint can be reasonably resolved, the Group has taken active action to arrange professionals to coordinate the handling of the problem by on-site or remote means. As of the end of the Reporting Period, all 49 product and service complaints received during the Reporting Period have been properly addressed, demonstrating not only our strong commitment to customer service, but also our ability to solve problems efficiently. The Group also focuses on improving the quality of offline physical services, regularly training staff to improve their professional skills and service levels. By answering customers' questions with enthusiasm and patience, the staff creates a safe, healthy, convenient and comfortable shopping environment for consumers.

8 Community Investment

Qingling Motors actively engages in community investment and social welfare initiatives, deeply participating in rural revitalization projects. During the Reporting Period, the Group continued to carry out public donation activities and fulfilled its social responsibilities through employee volunteer programs, contributing to the promotion of social harmony and development.

8.1 Social Welfare Activities

The Group firmly believes that community investment is not only about economic interests, but also a manifestation of corporate social responsibility. In implementing the community investment strategy, the Group has always taken meeting the needs of the community and promoting the interests of the community as its core objectives. Through the formulation of the *Measures for Management of Charity and Public Benefit Campaigns*, the Group has standardised the sources of funds and management to the forms and evaluation of activities, strengthened management, promoted the development of public welfare undertakings, deepened community investment, improved the efficiency of public welfare activities, shaped a positive corporate image, and enhanced the sense of social responsibility.

The Group's community investment philosophy is reflected in multiple dimensions: actively participating in community activities and public welfare initiatives, ensuring that business decisions align with community interests through close collaboration with local communities; prioritizing environmental protection by engaging in eco-friendly projects, advocating for sustainable development, and raising public awareness of environmental issues; and enhancing employee training and education to foster their sense of social responsibility and public welfare awareness, so that they can work with the community to promote public welfare activities and investment projects

In the community investment, the Group is actively involved in public welfare initiatives such as rural revitalization, demonstrating its commitment and capability. The Group continuously updates the content of activities to better give back to society and elevate the standards of community investment and philanthropy. During the Reporting Period, the Group donated RMB5.443 million to public welfare.

Case: Rural Revitalization

From November 19 to 20, 2024, Chairman Luo Yuguang and his team visited Huatian Township and Pianbai Township in Youyang County for research and guidance. Centered on the "Youyang 800" development concept and rural revitalization, they proposed a "New Four Modernizations" development strategy for beef cattle farming and emphasized the fulfillment of state-owned enterprise responsibilities to help build a rural industrial system. During this research and guidance, the Company directly invested RMB1.22 million, coordinated the introduction of RMB1.3 million, assisted in the sale of agricultural products worth RMB863,000, and guided the implementation of three projects with a total investment of RMB1.3 million. These projects included the operation of a cattle farm in Miaoba Village, the construction of a cultural center, and the development of a new village office in Cuanya Village. Among them, there was one industrial project with a total investment of RMB750,000.



Figure: Qingling Group carries out rural revitalization work in Baixiang village

8.2 Employee Voluntary Campaigns

As a mold enterprise with a sense of social responsibility, we integrate the spirit of volunteerism into the corporate culture, systematically arrange voluntary activities, and create a comprehensive voluntary service system in education, environment and other fields to help social development.

The Group's employee volunteer activities are coordinated by the Human Resources Department, with various departments taking responsibility. We set up volunteer groups, print manuals and issue guidelines to promote employee participation. The senior management of the Group leads the operation of supervision to ensure the activities are efficient and compliant.

9 Performance Data

The data calculation methods used in this report are indicated where appropriate. Unless otherwise stated, the data range in this section includes the Group's production-related data.

Use of Resources

Use of Resources	Unit	2024	2023	2022
Energy, water and material consumption				
Indirect energy				
Purchased electricity	mWh	36,323.39	34,563.56	36,322.45
	mWh/per vehicle produced		1.14	1.13
Direct energy				
Pipeline natural gas	mWh	48,413.48	50,317.84	43,711.51
	mWh/per vehicle produced		1.66	1.36
Gasoline	mWh	1,430.87	686.25	925.77
	mWh/per vehicle produced		0.02	0.03
Diesel	mWh	0	6,752.54	8,558.84
	mWh/per vehicle produced		0.22	0.27
Raw material				
Steel products	Tonnes	14,959	10,541.15	10,794.95
	tonnes/per vehicle produced		0.35	0.34
Water resource				
Purchased freshwater	Tonnes	407,556.00	467,709.00	533,510.00
	tonnes/per vehicle produced		15.45	16.64

Use of Resources	Unit	2024	2023	2022
Packing materials consumption				
Wooden products	m ³	567	392	421.01
	m ³ /per vehicle produced		0.01	0.01
Paper products	m ²	40,155.00	35,148.00	41,618.71
	m ² /per vehicle produced		1.16	1.30
Iron cases	Pieces	82	21	61
	Piece/per vehicle produced		0.69×10 ⁻³	1.9×10 ⁻³

Emissions and disposed wastes

Emissions and disposed wastes		Unit	2024	2023	2022
Production of wastes					
Hazardous wastes	Total hazardous waste emissions	Tonnes	357.26	/	/
	Hazardous waste emission density	tonnes/per vehicle produced		/	/
	Number of discarded printer toner cartridges	Pieces	93	/	/
	Discarded light tubes and bulbs	Pieces	326	/	/
	Discarded dry batteries	Pieces	150	/	/

Emissions and disposed wastes		Unit	2024	2023	2022
Non-hazardous waste	Total non-hazardous waste emissions	Tonnes	11.64	/	/
	Non-hazardous waste emission density	tonnes/per vehicle produced		/	/
	Quantity of office paper used	Tonnes	11.64	/	/
Emission of air pollutants ¹					
Nitrogen oxides (NO _x)		Tonnes	0.84	0.83	0.72
		tonnes/per vehicle produced		2.74×10 ⁻⁵	2.23×10 ⁻⁵
Sulfur dioxide (SO ₂)		Tonnes	0	0	0
		tonnes/per vehicle produced	0	0	0
Particles (PM)		Tonnes	6.05	6.11	8.41
		tonnes/per vehicle produced		2.02×10 ⁻⁴	2.62×10 ⁻⁴
Volatile organic compounds (VOCs)		Tonnes		8.746	18.49
		tonnes/per vehicle produced		2.89×10 ⁻⁴	5.76×10 ⁻⁴
GHG emissions ²					
Total GHG emissions		Tonnes CO2e		32,479.72	31,917.22

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

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

Emissions and disposed wastes	Unit	2024	2023	2022
(Scope 1 and Scope 2)	tonnes/per vehicle produced		1.07	1.00
Scope 1 Direct Emissions (Use of stationary sources and vehicles)	Tonnes CO2e	10,145.57	12,768.12	11,202.52
	tonnes/per vehicle produced		0.42	0.35
Scope 2 Indirect Emissions (Purchased electricity)	Tonnes CO2e	19,491.13	19,711.60	20,714.69
	tonnes/per vehicle produced		0.65	0.65
Waste water emissions				
Waste water	Tonnes	65,350	61,930	55,639
	tonnes/per vehicle produced		2.05	1.73

Employees

Employment	Unit	2024	2023	2022
Number of employees	Persons	2,952	2,844	2, 846
Number of employees by gender				
Male	Persons	2,309	2,202	2, 219
Female	Persons	643	642	627
Number of employees by employment type				
Full-time	Persons	2,952	2,844	2, 846
Part-time	Persons	0	0	0
Number of employees by age group				
Below 30 years old	Persons	616	557	547
30 to 50 years old	Persons	1,615	1,594	1, 605
Over 50 years old	Persons	721	693	694

Employment	Unit	2024	2023	2022
Employee turnover rate by gender				
Male	Percentages	6.5%	5.7%	5.9%
Female	Percentages	1.5%	1.4%	3.2%
Employee turnover rate by age group				
Below 30 years old	Percentages	4.5%	3.4%	21.2%
30 to 50 years old	Percentages	3.1%	3.0%	1.9%
Over 50 years old	Percentages	1.0%	0.9%	0.7%

Health and Safety

Health and safety of employees	Unit	2024	2023	2022
Number of work-related fatalities	Persons	0	0	0 (0 for the last three years)
Lost days due to work-related injury	Persons	0	0	0

Training

Personnel training	Unit	2024	2023
Number of employees who received training	Persons	1,872	1,823
Percentage of employees trained by gender			
Male	Percentages	27.5%	73.34%
Female	Percentages	9.8%	26.66%
Percentage of employees trained by employment type			
Senior management	Percentages	100%	100%
Middle management	Percentages	100%	100%

Personnel training	Unit	2024	2023
Grass-roots employees	Percentages	24.7%	21.4%
Average training hours completed per employee by gender			
Male	Hours	8.1	11.90
Female	Hours	2.2	5.05
Average training hours completed per employee by employment type			
Senior management	Hours	27.7	24
Middle management	Hours	31.2	72
Grass-roots employees	Hours	10.9	10

10 HKEx ESG Reporting Code Index

Mandatory Disclosure Requirements	Description	Relevant Chapter(s) or Explanation of the Report
Governance Structure	<p>A statement issued by the Board of Directors which contains the following:</p> <p>(i) A disclosure of the oversight from the Board of Directors of ESG issues;</p> <p>(ii) The ESG management approach and strategy of the Board of Directors, including the process used to evaluate, prioritise and manage material ESG related issues (including risks to the issuer's businesses); and</p> <p>(iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	2. Statement of the Board of Director
Reporting Principles	Describe or explain how the reporting principles have been applied in preparing ESG reports: materiality, quantitative, consistency.	1. About Us
Reporting Scope	Explain the reporting scope of the ESG report and describe the process for selecting which entities or businesses to include in the ESG report. If the reporting scope changes, the issuer should explain the difference and the reasons for the change.	1. About Us

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
Environmental		
Aspect A1: Emissions		
General Disclosure	<p>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 waste</p>	<p>4.1 Environmental Protection System</p> <p>4.2 Environmental Management System</p> <p>4.3 Exhaust</p>

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	<p>air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Exhaust gas emissions include nitrogen oxides, sulfur oxides, and other pollutants regulated by national laws and regulations. Hazardous waste refers to that which is defined by national regulations.</p>	<p>Emissions</p> <p>4.4 Climate Change</p>
KPI A1.1	The types of emissions and respective emissions data	9 Performance Data
KPI A1.2	[Deleted on 1 January 2025]	
KPI A1.3	Total hazardous waste produced (in tonnes) and, (if applicable) where appropriate, intensity (e.g. per unit of production volume, per facility)	9 Performance Data
KPI A1.4	Total hazardous waste produced (in tonnes) and, (if applicable) where appropriate, intensity (e.g. per unit of production volume, per facility)	9 Performance Data
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	<p>4.5 Energy Management</p> <p>4.7 Water Resource Management</p>
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	4.6 Waste Management
Aspect A2: Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources (Including energy, water and other raw materials)</p> <p>Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.</p>	<p>4.5 Energy Management</p> <p>4.7 Water Resource Management</p>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production	9 Performance Data

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	volume, per facility)	
KPI A2. 2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	9 Performance Data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4.7 Water Resource Management
KPI A2. 4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	4.7 Water Resource Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	9 Performance Data
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	4.5 Energy Management
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	4.5 Energy Management
Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	5.1 Employment and Rights Protection
KPI B1.1	Total number of employees categorized by gender, employment type (e.g., full-time or part-time), age group, and region.	9 Performance Data

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
KPI B1.2	Employee turnover rate categorized by gender, age group, and region.	9 Performance Data
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	6.1 Work Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	9 Performance Data
KPI B2.2	Lost days due to work injury	9 Performance Data
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	6.4 Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training and may include internal and external courses paid for by the employer.	5.3 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	9 Performance Data
KPI B3.2	The average training hours completed per employee by gender and employee category	9 Performance Data
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and	5.1 Employment and Rights Protection

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.1 Employment and Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered	5.1 Employment and Rights Protection
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	3.5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	9 Performance Data
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	3.5 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	3.5 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	3.5 Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	7.2 Product Quality and Safety

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	7.3 Product Quality and Safety
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	7.3 Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	7.1 Scientific and Technological Innovation
KPI B6.4	Description of quality assurance process and recall procedures	7.2 Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	7.3 Customer Service
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	3.3 Compliance and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	3.3 Compliance and Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	3.3 Compliance and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and employees	3.3 Compliance and Business Ethics
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	8.1 Social Welfare Activities

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	8.1 Social Welfare Activities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	8.1 Social Welfare Activities

Climate-related Disclosure Indicators	Description	Relevant Chapter(s) or Explanation of the Report
Governance	Disclose information about the governance bodies or individuals responsible for monitoring climate-related risks and opportunities, including how competencies are determined, how often risks and opportunities are informed, how they are considered in decision-making, how targets are monitored and met, and the role of the management in the relevant processes and their integration with internal functions	4.4.1 Climate Risk Management
Strategy - Business Model and Value Chain	Describe the current and expected impacts of climate-related risk opportunities on business models and value chains, indicating areas of concentration	4.4.1 Climate Risk Management
Strategy - Strategies and Decision-Making	Disclose strategies and plans to address risk opportunities, including business model changes, adaptation or mitigation efforts, transformation plans, ways to achieve climate goals, and resource provision plans for actions and previous planned progress	4.4.1 Climate Risk Management
Indicators and Targets - Greenhouse Gas Emissions	Disclose the absolute total greenhouse gas emissions in Scope 1, Scope 2 and Scope 3 during the Reporting Period, provide details on the measurement method, input data, assumptions and reasons for changes, and disclose Scope 2 emissions by geographical basis and Scope 3 inclusion categories	4.4.1 Climate Change Management
Indicators and Targets - Climate-Related Goals	Disclose climate-related qualitative and quantitative targets, including the defined indicators, objectives, scope of application, timeframes, baseline periods, interim milestones, target types, and alignment with	4.4.1 Climate Risk Management

Climate-related Disclosure Indicators	Description	Relevant Chapter(s) or Explanation of the Report
	international agreements; disclose the methodology used to establish and review these targets, the indicators used to monitor progress, and the analysis of target performance and trends. For greenhouse gas emission targets, specify the gases covered, emission scopes, total or net target, etc.	

11 Feedback Form

Thank you for reading the *Qingling Motors Co., Ltd 2024 ESG Report*. In order to provide more valuable information to the stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any advice or suggestions you might have about this report.

You can send this form to any of the following:

E-mail address: hk1122@qingling.com.cn

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

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

☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

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

Economic responsibility ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

Social responsibility ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

Environmental responsibility ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

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

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Terrible

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

Clarity ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

Accuracy ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

Completeness ☐ Very High ☐ High ☐ Neutral ☐ Low ☐ Very Low

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

☐ Yes ☐ Neutral ☐ No

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

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