

An aerial photograph showing a winding asphalt road with yellow dashed lines through a valley. To the left of the road is a river with light blue water and sandy banks. The valley floor is covered in dry, brownish vegetation. The background shows rolling hills under a clear sky.

GEELY HOLDING GROUP

# SUSTAINABILITY REPORT 2021

GEELY

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# About this Report

## Introduction

Zhejiang Geely Holding Group has released an annual Corporate Social Responsibility Reports (“CSR Report”) for eight consecutive years since 2012. In 2020, the “CSR Report” was renamed the “Sustainability Report” to reflect Geely Holding Group’s commitment to embrace the challenges and opportunities that come with global sustainability. Sustainability values are integrated in corporate governance so that together with the industry, we can develop solutions to demonstrate to all our stakeholders our dedication to sustainability and our ambition to contribute to global sustainability goals.

### WE SUPPORT



From 2022, Geely Holding Group has pledged to implement the Ten Principles of the United Nations Global Compact [\(UNGC\)](#), covering human rights, labour standards, the environment, and anti-corruption.

## Reporting period

This Report covers the period from 1 January 2021 to 31 December 2021. To enhance the comparability and completeness of the Report, part of the content may involve information from previous years or 2022.

## Reporting scope

Unless otherwise specified, the scope of this Report covers Zhejiang Geely Holding Group Co., Ltd., and its major subsidiaries (hereinafter referred to as “Geely Holding Group”, “Geely”, “we” or “us”), as well as joint ventures that hold significant influence over Geely Holding Group business:

- Geely Auto Group Co., Ltd. and its major subsidiaries, hereinafter referred to as “Geely Auto”
- Zhejiang ZEEKR Intelligent Technology Co., Ltd. and its major subsidiaries, hereinafter referred to as “ZEEKR”
- Zhejiang Geely New Energy Commercial Vehicles Group Co., Ltd. and its major subsidiaries, hereinafter referred to as “Geely Commercial Vehicles”
- Volvo Car Group and its major subsidiaries, hereinafter referred to as “Volvo Cars”
- London Electric Vehicle Company, hereinafter referred to as “LEVC”
- Lotus Technology Inc. and its major subsidiaries, hereinafter referred to as “Lotus Technology”
- Zhejiang Genius & Guru Co., Ltd., Genius & Guru Group and its major subsidiaries, hereinafter referred to as “Genius & Guru”
- Hangzhou Youxing Technology Co., Ltd. and its major subsidiaries, hereinafter referred to as “Youxing Technology”

## Reporting guidelines

This Report is prepared in accordance with the “Core Option” of the Global Reporting Initiative [\(GRI Standards\)](#) issued by the Global Sustainability Standards Board [\(GSSB\)](#), with reference to the United Nations’ Sustainable Development Goals [\(SDGs\)](#), the Ten Principles of UNGC, the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited [\(ESG Reporting Guide\)](#), guidance on climate Change-Related information disclosure issued by the Task Force on Climate-Related Financial Disclosures [\(TCFD\)](#), and the critical issues under the classification of automotive and road transportation issued by the Sustainability Accounting Standards Board [\(SASB\)](#).

## Data

Data and cases disclosed in this Report are derived from official documents and statistical reports of Geely Holding Group, and reviewed by relevant departments. Unless otherwise specified, all financial data in this Report is stated in CNY.

## Language

This Report is published in both English and simplified Chinese. In case of any divergence, the simplified Chinese version shall prevail.

## Statement

This Report has been reviewed and approved by the Board of Directors, with no deceptive content, misleading descriptions or significant omissions found.

## Report access

To support environmental protection, this Report is published in electronic form, which can be accessed and downloaded on the website of Geely Holding Group (<http://zgh.com/>).



# Sustainability performance highlights

Established the

**ESG Committee**

and set up the

**ESG Task Force and Carbon Neutrality Task Force**

Officially joined the

**UNGC**

Our ambition:

**achieving carbon neutrality across the entire value chain by 2045**

Completed the

**checking of GHG emissions (Scope 3)**

Sales of new energy models increased by approximately

**94%** year-on-year

**11** manufacturing bases were rated as national-level green factories released by the Ministry of Industry and Information Technology of People's Republic of China

Ranked among the **Fortune Global 500** for **ten consecutive years**

In the past ten years, invested more than

**CNY 140 billion** in R&D, making it the **only**

automobile company in the top 10 Chinese companies in R&D investment in 2021

Has more than

**120,000** employees in total

Established Geely Thanksgiving Fund valued at nearly

**USD 500 million**

The Timely Rain project invested

**CNY 693 million** in total

Awarded with the honour of

**“National Advanced Collective on Poverty Alleviation”**

Recorded total annual sales of more than

**2.20 million** vehicles

Has approximately

**18,000** valid patents

Became the

**1<sup>st</sup>** Asian member of IATF in history

Established **Talent Forest**, an education and training system covering the entire career cycle of employees

Geely Auto and ZEEKR implemented

**share incentive schemes**



# Message from the Chairman



Chairman of Geely Holding Group  
Eric Li Shufu

Geely Holding Group has been a pioneer in the automobile industry for 35 years and is committed to supporting the real economy. Through steady advances and breakthrough transformations, Geely Holding Group strives to develop sustainably. In the face of changing times unseen in a century, we dare to be the lead. We focus on addressing issues of climate protection, resource conservation, traffic safety, ethical and responsible business, data responsibility, and employee and social responsibility. Yet, we keep strengthening our foundation based on sustainability. On behalf of the Board of Directors of Geely Holdings Group and all staff members, I would like to express my gratitude to those who have always strived to help Geely. And with this Report, we would like to reveal our determination and achievements in terms of improving our sustainable competitiveness by incorporating the principles of sustainability in the operations of Geely.

Implementing and developing a modern enterprise system is the cornerstone to building our global competitive advantages and capacity for sustainability. As cars are becoming more electrified, autonomous, shared, and connected, we adhere to the management policy of "granting authority, respecting compliance, providing clear assessments, fairness, and transparency". We have established a sound and more effective sustainability governance structure, set up the Environmental, Social and Governance Committee at the board level. With an effective and transparent management system, we're able to forge ahead and collaborate with our major brands to progressively improve capacities for sustainability within Geely's broader strategy and ecosystem.

We are facing ever-changing technologies in the auto industry and diversified user demands. The roadmap to peak carbon and carbon neutrality has been unveiled. This is an unprecedented opportunity and challenge for the automotive industry and Geely. With the goal of promoting electrification and the intelligent transformation of the automobile industry, we have developed comprehensive development plans in 2021 for passenger cars, commercial vehicles, and shared mobility. Furthermore, we continued breaking new ground in the fields of new energy technologies such as electric mobility, hybrid power, green methanol, and fast-charging solutions, creating a more robust and expansive hardware and software technology ecosystem. Integrating the automotive, digital technology, mobility and other segments, we made strategic plans to develop the upstream and downstream industry chains covering new energy technologies, vehicle microchips, Internet of Vehicles, and autonomous drive in order to offer users experiences that exceed their expectations and promote the green and low carbon transformation of enterprises and society. We are also committed to expanding our strategic cooperation with leading enterprises in other fields. Furthermore, we strive to build industry chain alliances and an ecological circle of friends to realise the ambition of "Made in China, Made for the World".

We firmly believe that talents are always the cornerstone of a healthy business and hope to progressively cultivate unique talents with leadership abilities as well as transform people's initiatives and creativity into the driving force of our sustainable development. In 2021, we set up the Thanksgiving Fund and promoted the

transition from efficiency first to equality first to share the rewards of our growth with all employees. This helps to encourage good work from employees and empowers them to realise their dreams and aspirations. Relying on our influence, power, and reach we hope to achieve common prosperity, pursue prosperity for all, and create a more equitable and harmonious society.

On 6 January 2022, Geely Holding Group officially joined the United Nations Global Compact, and committed itself to upholding the Ten Principles of the UNGC. The ten principles are based on United Nations conventions covering the areas of human rights, labour, environment, and anti-corruption, as well as contributing to the achievement of the 17 United Nations sustainable development goals. We will remain committed to our original aspirations of focusing on sustainability, being a leading example of compliance governance across the industry, adhering to integrity and innovation, and pursuing a zero carbon future. We will also actively respond to stakeholders' concerns by compiling annual sustainability reports and work to create a sustainable future and a better world.



# Message from the CEO



Chief Executive Officer (CEO) of Geely Holding Group

Daniel Li Donghui

The global economic recovery is facing significant headwinds amid changes unseen in a century and ongoing outbreak of COVID-19. Uncertainties also arise from complex international environment, climate changes, and industrial upgrading. Against this backdrop, an enterprise should give greater focus on long-term economic and social benefits. Through innovation and upgrading, we seek opportunities in crises and create new prospects in the face of changing times.

The year 2021 marks the 35<sup>th</sup> anniversary of the founding of Geely Holding Group. We always remain committed to sustainability. Aiming to become a technology company which focuses on intelligent electric mobility and energy service solutions and has global competitiveness and influence, we make efforts to master fundamental hardcore technologies in the automobile industry and build mobility ecosystem gradually. While facing global changes unseen in over a century and braving the choppy waters of the automotive industry, we remain committed to our mission, focus on innovation and development, and continuously drive development with science and technology. We lead the industry in finding win-win partnerships and putting all our efforts in building a global community with a shared future.

In 2021, Geely Holding Group made significant progress in its development of passenger cars, commercial vehicles, shared mobility, and auto financing as well as the coordinated development and sustained improvement of its subsidiary brands. Geely's corporate brand image and influence continued to rise in domestic and international markets. The total sales of Geely vehicles exceeded 2.2 million units in 2021. Geely Auto maintained its lead in the sales of passenger cars among Chinese brands for 5

consecutive years, and announced its "Smart Geely 2025" strategy. Zeekr Intelligent Technology, a new high-end, intelligent and pure-electric car brand, was established, and has begun working with users and ecosystem partners. Lotus Technology was established and launched a pure electric product portfolio to promote the ongoing rejuvenation of the storied brand. Volvo Cars completed its historic IPO and successfully listed on the Stockholm Stock Exchange, marking a new beginning for the company. Both new energy heavy trucks and light trucks from Farizon Auto, a brand under Geely New Energy Commercial Vehicle Group, led in sales in their respective market segments. Backed by Geely Holding Group, LEVC set up a brand-new mobility platform called Limao Taxi offering ride-hailing users a fully customizable mobility service. Cao Cao Mobility extended its green mobility services to over 100 million users across 62 cities in China.

Through green manufacturing and guided by green best practices, we are doing our part to accelerate the achievement of peak carbon and carbon neutrality. Geely Holding Group aims to achieve carbon neutrality across the entire value chain by 2045 and its brands also have released their carbon neutrality goals. Geely Auto released the NordThor intelligent and high-efficiency hybrid power solution. They have also committed to reducing the total carbon emissions during the whole lifecycle of a single vehicle by 25% by 2025 and achieving carbon neutrality by 2045. Volvo Cars plans to be a fully electric car company by 2030 on its journey towards becoming climate neutral across its value chain by 2040. Cao Cao Mobility has released their roadmap for achieving carbon neutrality and has already reduced 468,000 tons of carbon emissions cumulatively. Cao Cao Mobility has become China's first ride-hailing platform to set up carbon banking accounts for its users.

While accelerating our technological transformation, we have maintained our commitment to safety at the core of our products and services. Geely actively participates in the development of international, national, and industrial standards, and contributes to the implementation of high standards for the improvement of automotive product quality around the world. In 2021, Geely officially joined the International Automotive Task Force (IATF), an international automotive standardisation organisation, and was the first Asian member in history to do so.

We take our social responsibilities seriously and have made significant contributions to talent development, social welfare, and other issues. We are devoted to creating an environment for the development of talents and dreams as well as building a responsible and happy talent cultivation ecosystem. Guided by our vision of "Let the world feel love", we work to address real social issues. As at the end of 2021, the Timely Rain poverty alleviation programme has invested a total of CNY 693 million to assist over 30,000 registered impoverished people; the Geely HOPE-Green Pathways programme reached out to 78 primary schools in Inner Mongolia, Yunnan, Shaanxi, and other provinces to support nearly ten thousand students in pursuing their sports dreams.

Every day is a new start and every year is a new journey on the road to sustainability. In 2022, we will continue to hold firm to our original aspirations, remain confidence, and strive to create greater value for our users and partners. With vigour and determination, we give it our all to achieve our aspirations, strive to create a green, low-carbon, and intelligent mobility experience for all, and promote sustainability for the benefit of all humanity!



# Bringing Geely to the world

## Group overview

Zhejiang Geely Holding Group was founded in 1986. Geely Holding Group entered the automotive industry in 1997 and has continued to grow with a dedication towards industry, technological innovation, talent cultivation, and tempering of core strengths, all while staying committed to unswervingly promoting enterprise transformation and upgrading as well as sustainability. Today, Geely Holding Group has total assets valued over CNY 510 billion and more than 120,000 employs. Geely Holding Group has been listed on the Fortune Global 500 for ten consecutive years (ranked No. 239 in 2021). Geely is the only Chinese automobile group in the top 10 of the global automobile brand portfolio value.

Geely Holding Group is committed to becoming a globally competitive and influential electric mobility and energy services technology company with businesses in automobile and upstream and downstream industry chains, smart mobility, green transportation, and digital technology sectors. Headquartered in Hangzhou, Geely Holding Group owns several brands including Geely Auto, Lynk & Co, Zeekr, Volvo Cars, Polestar, Lotus, London Electric Vehicle Company, Farizon Auto, Cao Cao Mobility, etc. Such brands focus on their respective brand positioning and actively participate in market competition. Geely is constantly advancing through the development of cutting-edge technologies in new energy technology, shared mobility, Internet of Vehicles, autonomous driving, and vehicle microchips.

Geely Holding Group employs over 20,000 researchers and designers in design and engineering R&D centres located around the world, including Shanghai, Hangzhou, Ningbo, Gothenburg, Coventry, California and Frankfurt. Geely has been awarded over 26,000 patents for its innovations. Geely operates world-class modern vehicle and powertrain manufacturing facilities in China, US, UK, Sweden, Belgium, and Malaysia as well as a sales and service network with over 4,000 branches all over the world.

Geely Holding Group places great importance in fulfilling its social responsibility. Taking “Let the world feel love” at its heart, We actively support non-profit education, combining practical hands-on training, classroom education, and research. Through the support of training for researchers, technicians, and craftsmen, as well the operation of 10 private colleges and universities, Geely has taught over 150,000 talents. Geely’s five-year Timely Rain targeted poverty alleviation campaign has invested nearly CNY 700 million in alleviating industrial, educational, employment, and agricultural poverty. Geely promotes common prosperity through four major initiatives: supporting the high-quality development of enterprises, sharing the benefits of development, coordinating development throughout the industrial chain, and coordinating regional development.

Geely Holding Group is the official prestige partner of the 19<sup>th</sup> Asian Games Hangzhou 2022. Under the slogan “Enjoy E-mobility at the Asian Games with Geely”, We will empower the 19<sup>th</sup> Asian Games with green, intelligent, and humanistic technologies.

Geely’s corporate mission is to “Align Strategies, Drive Change, and Create Value” with management culture based around “full authorisation, legal compliance, clear assessment, fairness and transparency”. Our commitment to long-term ESG sustainability and scientific governance in the fields of climate change, resource conservation, traffic safety, employee and social responsibility, and ethical and responsible business has lifted downstream and upstream partners to rise up together, facilitated the balanced development of the regional economy, transformed and improved China’s automotive industry, and given consumers mobility experiences that exceed their expectations.



## Sustainability milestones for 2021

### Awarded national commendation for poverty alleviation efforts

On 25 February, Geely Holding Group was awarded with the honour of National Advanced Collective on Poverty Alleviation at a national commendation conference to honour poverty alleviation contributions. Since the launch of the Geely Timely Rain targeted poverty alleviation programme in 2016, Geely has invested a total of CNY 693 million in the poverty relief funds. We have helped over 30,000 people from registered poor households, and carried out 31 agriculture-based poverty alleviation projects in 43 villages in 20 counties across China; consumption of products from poor areas as part of poverty alleviation efforts reached more than CNY 100 million.

### Volvo Cars released sustainable development ambitions

On 2 March, Volvo Cars announced its plan to be a fully electric premium car company by 2030. This is one of the most ambitious electrification plans of any traditional manufacturer and ten years ahead of our industry's science-based deadline to end the sale of fossil fuel vehicles in order to support the Paris Climate Agreement. In 2021, Volvo Cars also stated that it intends to be a fully circular business by 2040, following its earlier announcement to be climate neutral by 2040. With these ambitions, and the climate action it is taking, Volvo Cars is setting the standard for other automotive companies to follow.

### Established ZEEKR, a pure electric car brand, to create shared value with users

On 23 March, ZEEKR Intelligent Technology Holding Limited, a new intelligent and pure electric car brand under Geely Holding Group, was established. True to its values of equality, diversity, and sustainability, ZEEKR focuses on the research and development of frontier technologies of intelligent electric mobility to create the ultimate experience for users.

### Joined IATF to promote sustainability in the auto industry

On 8 April, Geely Auto Group became the first Asian member of IATF (International Automotive Task Force), and was appointed as a voting member on the board. Together with 9 other major international automotive manufacturers and their respective National Automotive Industry Associations in the U.S. and Europe, Geely Auto participates in the formulation of international quality standards, and promotes sustainability within the global automotive industry.

### Listed among the Fortune Global 500 for ten consecutive years

On 2 August, Geely Holding Group was listed among the Fortune Global 500 for ten consecutive years with a revenue of USD 47.19 billion, ranking 239th, up four places from 2020, the only Chinese private auto group on the list.

### Provided immediate aid for floods in Henan

On 21 July, Geely Holding Group's brands, together with Li Shufu Charity Foundation, donated CNY 30 million in emergency aid to Henan, including CNY 25 million in cash and CNY 5 million worth of three industrial-grade drones and auxiliary equipment dedicated to flood control emergency command and disaster surveying.

### Launched Geely Common Prosperity Initiative

On 3 July, Li Shufu, Chairman of Geely Holding Group, officially announced the outlines of Geely Common Prosperity Initiative. Through further refinement and implementation of a range of actions including the Employee Income Growth Plan, Employee Family Health Insurance Plan, and Employee Growth Plan, the Geely Common Prosperity Initiative will help shift company priority from efficiency to equality to achieve common prosperity for all employees with joint efforts.

### Listed among China's 25 best workplaces for career growth

On 29 April, LinkedIn, a global workplace social platform, released the "2021 LinkedIn Top Companies List". Geely Holding Group was named one of China's 25 best workplaces for career growth.





**Launched Geely Industrial Internet Platform to empower industry-wide digital transformation**

On 23 August, Geely Industrial Internet Platform (Geega) debuted as the first industrial internet platform launched by the auto industry to deliver industry-wide digital transformation services. The platform will introduce five solutions for digital transformation.

**Lotus Technology accelerates innovation in electric intelligence**

On 31 August, the world headquarters of Lotus Technology was established in Wuhan Economic & Technological Development Zone. Lotus Technology will accelerate innovation in battery technology, electric motors and control systems, intelligent driving, intelligent manufacturing, and other related areas. Lotus Technology plans to roll out three intelligent, pure electric products within five years.

**Disaster relief efforts for floods in Shanxi**

On 11 October, Geely Holding Group and Li Shufu Charity Foundation announced a donation of CNY 10 million for flood relief, rescue, and post-disaster reconstruction in affected areas of Jinzhong in Shanxi Province to help local government and all sectors of society fight the disaster.

**Volvo Cars IPO opened a new chapter for electrification**

On 29 October, Volvo Cars successfully listed on the Stockholm Stock Exchange in Sweden, marking a new beginning for Volvo Cars. This is not only a historic opportunity for Volvo to take the lead in personal, sustainable, and safe mobility, but also illustrates the strength of investor confidence in the company's strategic direction.

**Geely's subsidiary Farizon Auto debuted a premium heavy truck**

On 8 November, Farizon Auto, Geely's new-energy commercial vehicle brand, debuted a new generation of new-energy, intelligent, premium heavy-duty trucks, Farizon Auto Homtruck. This model supports a range of new-energy power modes and is integrated with autonomous driving technology and a home function area, thus creating an environmentally friendly, intelligent mobile home for drivers.

**A 35-year-old employee-oriented enterprise**

On 6 November, Geely Holding Group held the 35<sup>th</sup>-anniversary celebration and presented 6,933 employees with honorary medals for their loyalty. The Loyalty Award is given to employees to honor their tireless perseverance and hard work.

**Established Geely Thanksgiving Fund for employee benefits**

Geely Thanksgiving Fund was officially launched on 5 November 2021. The Fund is valued at nearly USD 500 million and primarily used to enhance employee benefits. With a detailed approach, efforts will be made to improve the working and living environment of employees, support the education of their children, and improve the income level of low-and middle income employees.

**Geely Auto released the Smart Geely 2025 strategy**

On 31 October, Geely Auto Group launched the "Smart Geely 2025" strategy. Taking advantage of Geely's global system and resources, the strategy will help build the "One Network with Three Systems" architecture. The "Nine Longwan Actions" policy will also facilitate the implementation of results and help realise in-house R&D of core technologies for intelligent vehicles.







# Towards a more sustainable future

Geely Holding Group is convinced that sustainability has become a core driver for innovation and future development in the automotive industry. As a responsible corporate citizen, to practice sustainability, we need to minimise our own negative environmental and social impacts. More importantly, as we operate in an ecosystem composed of businesses, consumers, employees, investors, partners, and society as a whole, we need to strike a balance between social impacts, environmental benefits, and corporate financial performance to create more shared value. Therefore, we work with participants from all walks of life to implement the principles of sustainability throughout business development; we also adopt these principles in collaboration with our upstream and downstream partners to build sustained competitiveness in the global value chain.

On 6 January 2022, Geely officially joined the UNGC, and undertook to perform the Ten Principles of the UNGC, which are based on United Nations conventions covering the areas of human rights, labour, environment, and anti-corruption. Our efforts will help realise the 17 United Nations sustainable development goals. With the annual sustainability report, we hope to report to the UNGC on our annual progress. The Report will also present to all stakeholders our commitment to sustainability and our conviction in the restructuring of a green and low-carbon industry chain.

Seizing the opportunities in the trend towards sustainability, Geely focuses on addressing issues such as climate change, resource conservation, traffic safety, data responsibility, employee and social responsibility, and ethical and responsible business. We make continuous efforts in response to the interests and expectations from external and internal stakeholders in this post-epidemic era.





Direction

### Climate protection

- Achieve carbon neutrality across the entire value chain by 2045
- All brands/businesses formulate carbon neutrality strategies and goals and step-by-step roadmaps
- Establish a new-energy ecosystem with multiple technological paths
- Empower carbon management with technology

👁️ Green development: paving the way to smart low-carbon transformation



Actions

### Resource conservation

- Comprehensively improve the efficiency of resource utilisation across value chain
- Promote the use of recyclable, sustainable materials
- Achieve green production with the goal of energy saving, consumption reduction, and pollution reduction

👁️ Green development: paving the way to smart low-carbon transformation



### Traffic safety

- Integrate leading technologies to create a safe and intelligent travel experience for all, including the vulnerable
- Work with stakeholders to achieve zero accident, zero casualty

👁️ Superior quality ensures safe travels



### Ethical and responsible business

- Enhance global compliance governance capabilities
- Pledge to uphold business ethics, maintain high standards of integrity, and have zero tolerance for unethical behaviour
- Comply with international codes of ethics and conduct

👁️ Integrity and compliance as the foundation of corporate development



### Data responsibility

- Establish a data compliance governance system
- Manage user data throughout its lifecycle

👁️ Superior quality ensures safe travels

👁️ Integrity and compliance as the foundation of corporate development



### Employee and social responsibility

- Respect human rights and actively promote labour welfare
- Lead the building of a new automobile industry cluster
- Launch the Thanksgiving Fund programme

👁️ Together, we create a prosperous future for all



Sections

Contribution to SDGs

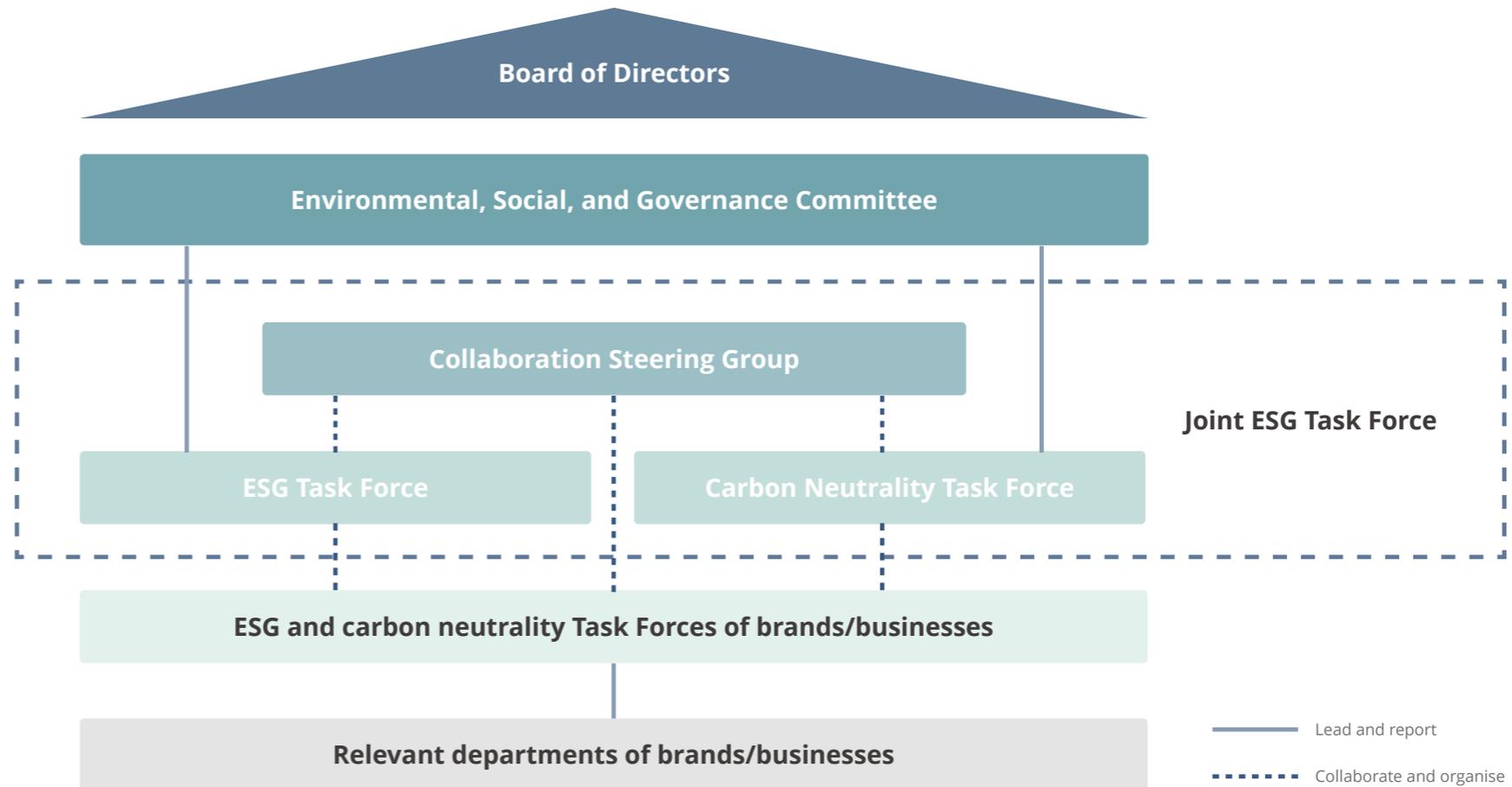


## Sustainability management

In 2021, with the approval of the Board of Directors of Geely Holding Group, we established the Environmental, Social and Governance Committee (hereinafter referred to as ESG Committee) at the board level and formulated *Rules for the Environmental, Social, and Governance Committee of the Board of Directors of Zhejiang Geely Holding Group*. With a scientific and transparent management system, we guide and facilitate the continuous upgrade of sustainability management at Geely across all functions and brands to enhance the effectiveness of our ESG management.

The ESG Committee assumes the responsibilities of Geely's ESG strategic planning, risk management, policies and rules, and goal setting. Regular supervision and reviews are conducted to ensure effective ESG management. Under the ESG Committee, the Joint ESG Task Force is formed. The Joint Task Force consists of the Collaboration Steering Group, the ESG Task Force, and the Carbon Neutrality Task Force. The ESG Task Force is responsible for outlining Geely's overall ESG strategy and objectives, establishing a system of ESG management indicators, gathering, and disclosing ESG information, etc. Reporting regularly to the ESG Committee on the execution and progress of ESG-Related work, the ESG Task Force ensures that decisions of the ESG Committee are translated into specific tasks with measurable targets and effectively implemented at the operations level.

The Carbon Neutrality Task Force focuses on climate change issues and forges effective synergies with the ESG Task Force to coordinate the planning of Geely's carbon neutrality management, including carbon asset development and trading. ESG and carbon neutrality Task Forces of brands are responsible for implementing relevant decisions made by the ESG Committee. The entire ESG management process focuses on ESG resource sharing and mutual empowerment across groups and sections guided by the Collaboration Steering Group composed of the CEO of Geely and CEOs of affiliated brands/businesses.



Sustainability Management System of Geely Holding Group





# Materiality analysis

In 2021, Geely Holding Group reviewed material topics related to *Geely Holding Group Sustainability Report 2020*. Based on this review, and taking into account macroeconomic policies, industry trends, domestic and international standards, and Geely's strategic plans, a repository of 24 potential material topics was compiled. These topics cover three dimensions: environment, society, and governance.

The analysis results of material topics form an essential basis for Geely to implement sustainability strategies and actions. The results and the materiality matrix have been reviewed and approved by the ESG Committee after discussions with relevant departments.

## 1 Review

The latest macro policies and the industry trends are studied and analysed. The process and results of stakeholder engagement in the Geely Holding Group Sustainability Report 2020 are reviewed.

## 2 Identify

Referencing multiple reporting frameworks at home and abroad including GRI Standards, TCFD's guidance on climate change related disclosure, *Environmental, Social and Governance Reporting Guide*, and SASB, a total of 24 material topics are identified, covering environmental, social and governance dimensions.

## 3 Assess

Stakeholder communication plans are devised to survey both internal and external stakeholders including customers, suppliers, investors, partners, and employees for the purpose of understanding their priorities. The process may take the form of on-site or online interviews, questionnaires, etc.

The results are analysed and assessed according to the topic's importance to stakeholders and to Geely's development. Topics are analysed and ranked to formulate a preliminary priority matrix.

## 4 Verify

The ESG Committee reviews and verifies the applicability and validity of the results to form the final materiality matrix. Measures are taken based on the matrix to bolster the sustainability management of Geely.





Bringing Geely to the world

Towards a more sustainable future

**Integrity and compliance as the foundation of corporate development**

Green development: paving the way to smart low-carbon transformation

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Together, we create a prosperous future for all

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# INTEGRITY AND COMPLIANCE AS THE FOUNDATION OF CORPORATE DEVELOPMENT

Adhering to integrity, compliance, and business ethics is one of the most vital strategies of Geely Holding Group to build our competitive advantages. We actively foster a corporate culture that conforms to business ethics, standards, and compliance principles. We strive to continuously elevate staff quality, create value for users, and enhance Geely's operational efficiency and sustainability through compliance management.

## Sustainable development performance

Vice chairman of the National Corporate Compliance Committee

A total of **18** units passed the ISO 27001 Information Security Management System Certification

Geely's compliance training covered nearly **99%** employees in 2021

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



**17** PARTNERSHIPS FOR THE GOALS



Contribution to SDGs



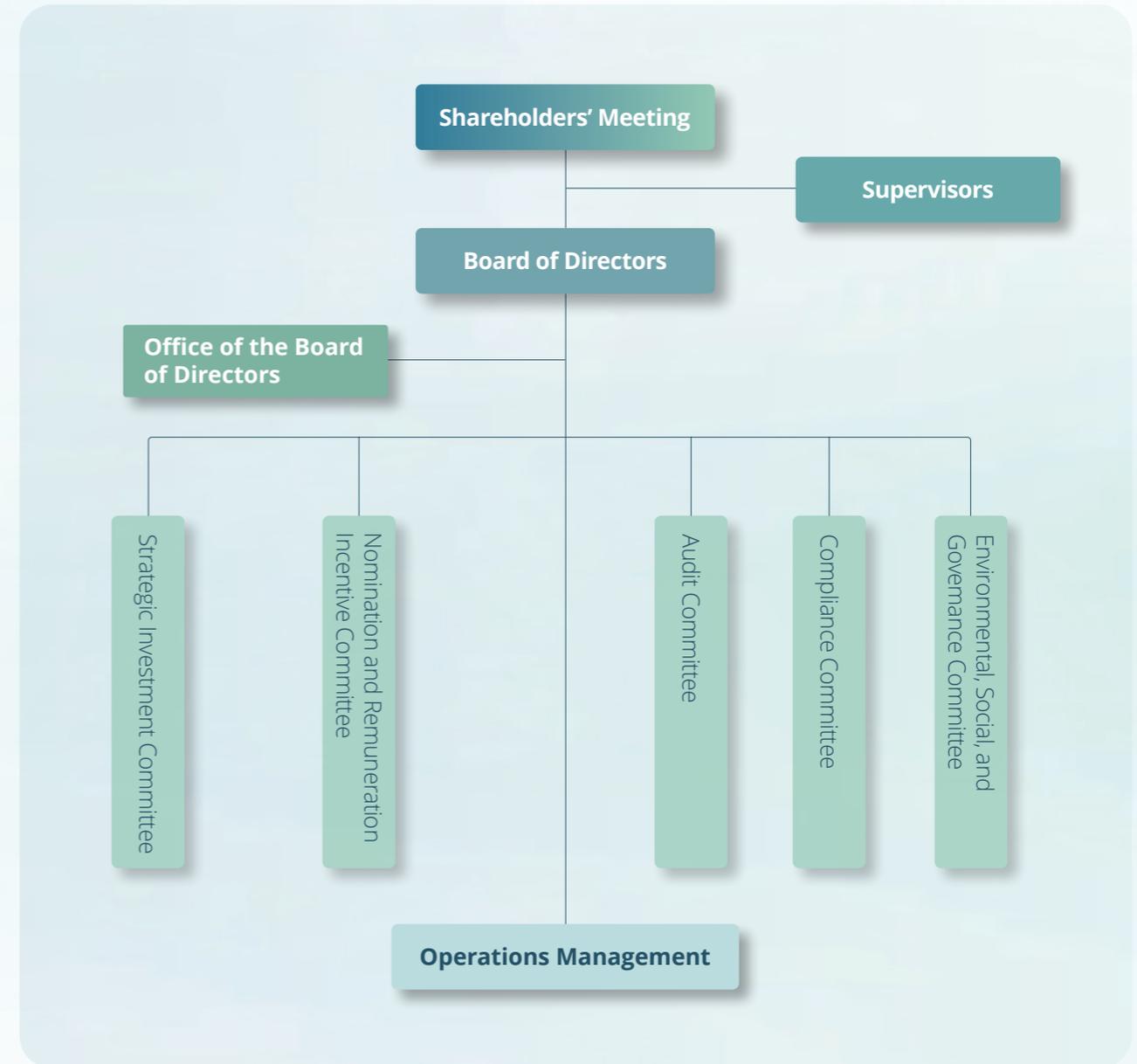
# Strengthened corporate governance

To meet Geely's strategic development needs, Geely Holding Group is committed to formulating global corporate governance rules and developing a scientific and dynamic sustainability governance system that constantly improves.

In line with the management policy of "sufficient authorisation, legal compliance, clear assessment, fairness, and transparency", we continue to refine the three-tiered governance framework composed of Shareholder Meetings, Board of Directors, and the Management. Several board governance documents have been formulated and refined, such as *Rules of Procedure of the Board of Directors*, rules of each special committee, *Rules for Secretary of the Board of Directors*. These documents take actual conditions into consideration and borrow externally from advanced systems. In 2021, we created the ESG Committee in addition to the Strategic Investment Committee, Nomination & Remuneration Committee, Audit Committee, and Compliance Committee. These five special committees are to provide professional support to the Board of Directors in decision making; they help strengthen the Board's capability to conduct research and analysis on critical professional matters.

A relatively independent and diverse Board of Directors is a prerequisite for the Board to function properly as a governing body and promote sustainability. Geely's Board members come from various fields including technology, law, management, and finance from China and abroad. With diverse backgrounds, rich industry experience, and advanced international experience in sustainability and business management, the board members work together to lead the development of Geely. In 2021, Geely re-elected the Board of Directors and introduced external directors to further improve the diversity and independence of the Board.

We endeavour to promote modern corporate governance with enhanced compliance, to encourage the initiative of professional talents, and to make us more competitive and risk-resilient. As such, Li Shufu, Chairman of Geely Holding Group, has focused his main efforts on Geely Holding Group by stepping out of the management and board of directors of subsidiaries. He has thus resigned his positions as Chairman of Geely Auto Group and Chairman of Geely Commercial Vehicles. With this transition, we hope to accord the management the power and responsibility to truly implement the three-tiered governance structure of Geely.



Organisational Structure of the Board of Directors of Geely Holding Group



# Comprehensive compliance management

Geely Holding Group holds fast to integrity and trustworthiness. We ensure that our operations are compliant. Geely strives to cultivate a high standard corporate culture that conforms to business ethics and compliance principles. We have in place a sound compliance management structure, compliance management policies and rules, and enhanced compliance training and promotion. These measures are intended to continuously improve the effectiveness of compliance management, expand the ability to identify and respond to compliance risks, and promote robust and compliant operations and sustainability.

## Compliance management system

Geely Holding Group has formulated the *Compilation of Compliance Management Rules (Version 2019)* in line with compliance management guidelines set out in relevant national or regional laws and regulations, *Compliance Management Systems-Guidelines* (GB/T 35770-2017/ISO 19600:2014), the Ten Principles of UNGC, and compliance management best practices of global companies. We have also established a sound compliance management system. Guided by the *Compliance Code of Conduct*, we stay abreast of regulatory updates, refine management rules, and clarify compliance operating rules in all areas to adequately enforce compliance management.

To ensure the effective practice of compliance management rules, we have established a multi-level compliance management structure to specify personnel functions and responsibilities. We have also appointed a chief compliance officer (CCO) to lead and coordinate the our compliance management, and take charge of the development of a compliance team as well as the recruitment and training of relevant personnel.

### Board of Directors

- Approve strategic planning, basic rules, and annual reports of compliance management
- Determine the composition and functions of the Compliance Committee
- Research and determine material issues in compliance management

### Compliance Committee

- Assist the Board of Directors in formulating compliance management strategic and implementation plans to promote the improvement of the compliance management system
- Regularly review the objectives, basic policies, and institutional architecture of compliance management and propose recommendations
- Listen to briefings and annual reports on key aspects of compliance management

### Chief Compliance Officer

- Thoroughly implement the requirements of the Board of Directors, the Board of Supervisors, and the Compliance Committee, and organise compliance management work
- Oversee the implementation of compliance management requirements by brands/businesses, and resolve compliance management issues in a timely manner
- Lead the compliance departments to carry out compliance management work and build a compliance team

### Compliance Office

- Take charge of the development of Geely's compliance system and improvement of compliance management rules
- Take part in compliance audit and risk response related to material events, and carry out compliance training, culture promotion, and performance appraisal
- Respond to compliance related inquiries and reports, organise or participate in violation investigations, and put forward handling opinions

### Compliance Management Departments of Brands/Businesses

- Implement Geely's work arrangements and instructions on compliance management
- Organise and carry out compliance training and compliance culture promotion
- Identify, assess, prevent and monitor compliance risks in business operations

In 2021, as part of our efforts to focus on integrity and anti-corruption, information security and privacy protection, antitrust, trade compliance, and other areas, Geely improved compliance rules and management, carried out compliance risk governance, and raised compliance awareness among all staff members.

#### Integrity and anti-corruption

Maintain clear reporting channels, discover and handle violations in a timely manner to continuously improve compliance management

#### Information security and privacy protection

Carry out compliance governance in the areas of automotive data security, APP data security, and cross-border data-in-transit security

#### Antitrust compliance

Declare business operations in accordance with the law to avoid monopoly agreements and unfair competition

#### Trade compliance

Comply with export controls and trade sanctions rules to effectively manage and control the risk of non-compliance



## Compliance culture building

We believe that the building of a compliance culture can only be done by the efforts of every employee. Geely has formulated the *Implementation Rules for Compliance Training*, *Measures for Compliance Performance Evaluation*, and other rules and management measures. With a well-defined compliance training system for all employees, and culture campaigns in various forms, we make sure that every employee fully understands compliance management requirements and enhances their compliance awareness.

### Compliance training system

We have in place a sound compliance training system for all members, from general staff to senior management. The contents cover a range of compliance knowledge including compliance codes of conduct, day-to-day operation guidelines, and up-to-date laws and regulations. Geely also designed targeted training to help employees grasp key compliance issues at different phases of their career such as onboarding, promotion, and transfer.

## Compliance culture promotion

We continue to innovate ways of promoting compliance culture and update content on training platforms including the Geely Compliance public account, Integrity and Compliance internal website, and Geely Learning programme. We also organise the annual Compliance Culture Month campaign to help staff at all levels keep abreast of the latest updates in compliance knowledge and cultivate their awareness of compliance.

### Organising the “Compliance Culture Month” campaign to cultivate staff awareness of compliance

In September 2021, Geely Holding Group launched the fifth “Compliance Culture Month” campaign. A total of 93 training sessions (over 200 hours) were organised during “Compliance Culture Month” and attended by approximately 14,000 attendances. Moreover, we conducted weekly compliance training and awareness campaign on the latest topics in regulations, including data protection, export controls, antitrust, corporate governance, ESG, etc. In addition to the conventional lecture format, we also created innovative activities to encourage wider participation among employees.



#### Compliance Theatre

Different business units collaborated in the production of a sitcom video.



#### Compliance Consulting Day

The staff actively participated in compliance consulting and answered questions to enhance their compliance knowledge.



#### Compliance Cartoon Competition

The staff created cartoons centred on the theme of Anti-corruption Compliance.

Various business groups/segments under Geely joined in and organised creative activities to promote compliance awareness, including field trips, book clubs, movie clubs, quiz games, etc.



## Business ethics and anti-corruption

Geely Holding Group firmly opposes any form of corruption and commercial bribery. All employees are required to strictly abide by relevant laws and regulations and Geely's internal management rules such as the *Code of Business Conduct of Zhejiang Geely Holding Group*. Professional conduct is expected of all employees in our business dealings. In 2021, we revised the *Implementation Rules for Compliance Supervision and Disciplinary Actions of Zhejiang Geely Holding Group* based on the original *Code of Conduct for Integrity and Self-discipline and Implementation Rules of Punishment*, and put in place strict measures to combat potential corruption and fraud in commercial activities to better protect the legitimate rights and interests of enterprises and employees.

## Business partner compliance

Geely Holding Group attaches great importance to the compliance management and business ethics of business partners, and has thus formulated the *Compliance Management Regulations for Business Partners*. We consistently promote compliance management among upstream and downstream partners in the industry. In 2021, we formulated the *Code of Conduct for Geely Suppliers*. The code of conduct requires suppliers to make commitments in terms of employee working environment, environmental protection, anti-corruption, and conflicts of interest—an effort to further expand the scope and

effectiveness of Geely's compliance requirements. At the same time, we actively reaffirmed Geely's compliance values by conducting compliance interviews with winning bidders. All our suppliers receive the *Notice on Strengthening Corporate Integrity Construction and Building a Transparent and Integrity Partnership*; open letters are also regularly issued to reiterate integrity and compliance issues on holidays to business partners. These measures help raise compliance awareness among our partners and build a compliance culture across of the entire value chain.

## Reporting channels

Geely Holding Group maintains clear compliance reporting channels and joins hands with all parties to create a culture of integrity. We undertake to keep the identity of whistle-blowers and the content of reports strictly confidential, and to rigorously investigate and penalise any form of retaliation against whistle-blowers, witnesses, and investigators.

Email: [coc@geely.com](mailto:coc@geely.com)

Hotline: +86 4000571840

Website: <http://zgh.com/whistleblowing/>





# Information security management

As the trend towards informatisation continues, it is crucial to enforce a well-regulated information security system, and practice scientific and effective information security management. These efforts will assist the enterprise in preventing risks such as leakage of trade secrets and information. Geely attaches great importance to corporate information security. In 2021, we adjusted the Information Security Supervision Department to be a first-level department. Multiple steps have also been taken including improved management regulations, technical measures, coordinated efforts among our subsidiary brands and businesses, and innovative employee training and awareness campaigns. With our unremitting efforts, Geely's information security management systems have been certified by external agencies. This helps boost the confidence of customers and partners in our information security management capabilities.

## As at the end of 2021, Geely Holding Group has received the following certifications

a total of  
**15**

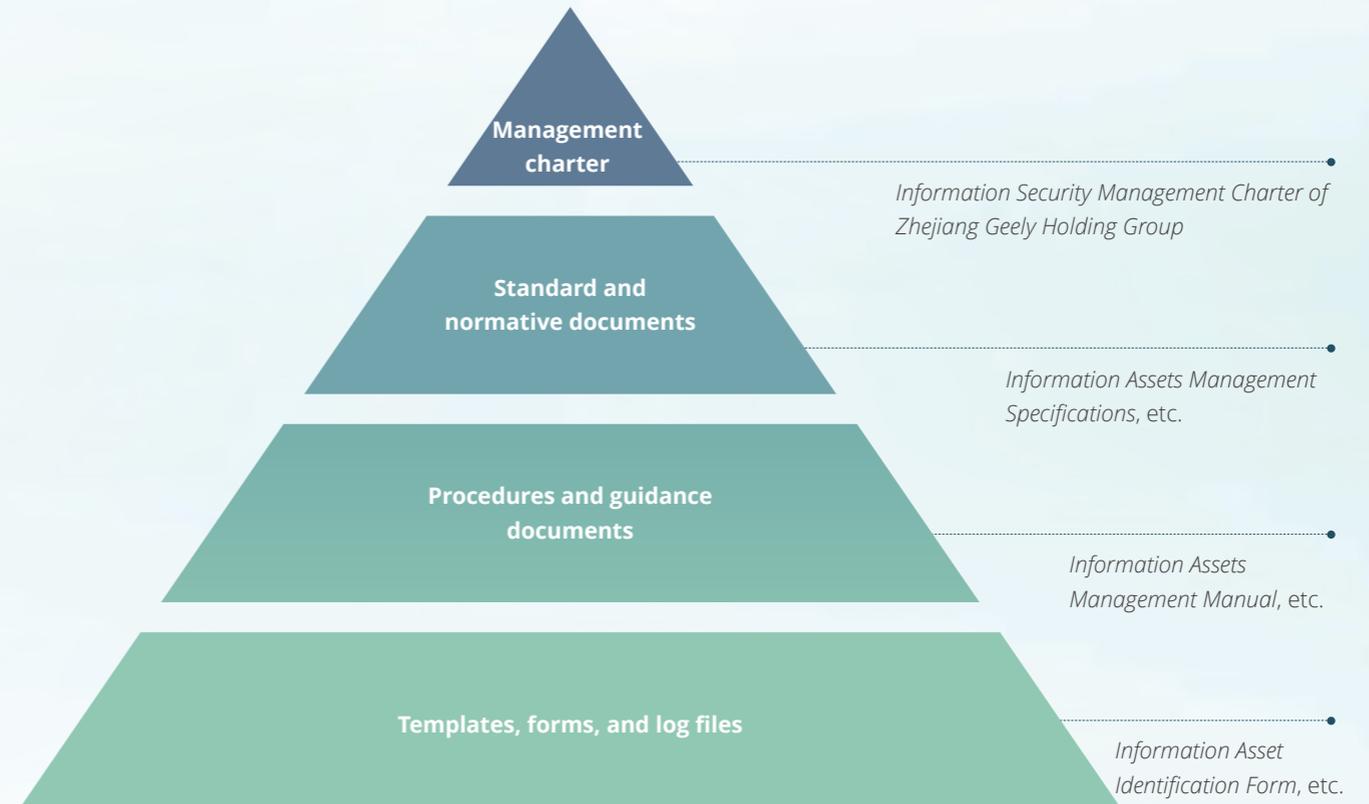
information security management systems were awarded the third-level national information security level protection certification,

a total of  
**18**

units were awarded the ISO 27001 information security management system certification.

# Information security system construction

Geely Holding Group complies with domestic and foreign laws including the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, as well as the ISO 27001 information security management system standards. We have improved the information security management regulations. In 2021, we revised the *Information Security Incident Management Regulations of Zhejiang Geely Holding Group*, the *Information Security Incident Management Procedures of Zhejiang Geely Holding Group*, the *Implementation Rules for Information Security Rewards and Punishments of Zhejiang Geely Holding Group*, and compiled the *Information Security Incident Case Compilation (2021)* to further refine the regulations.



System of Information Security Management Regulations of Geely Holding Group



## Information security risk management

To ensure the timely identification and effective handling of information security vulnerabilities, Geely conducts continuous monitoring and auditing, and responds to information security risks and incidents. Geely continuously pushes our brands such as Geely Auto, Geely Commercial Vehicles, and Lotus Technology to perform information security inspection and risk management to improve our overall information security risk management capabilities.



### Information security risk assessment

- The information security system of Geely Holding group is based on the ISO 27001 standards. Geely and brands/businesses perform information security risk identification and assessment on a yearly basis. In response to the problems found in the information security risk assessment, we implemented improvements measures repeatedly until all information security risks are addressed.



### Information security audit

- In 2021, a total of 18 companies under Geely and our brands conducted information security audits in all areas of information security control. Through aperiodic internal audits and annual external audits, we locate and manage information security risks and vulnerabilities as soon as possible to ensure the effectiveness and reliability of our information security system and management.



### Information security incident handling and reporting

- To enhance the information security risk supervision, prevention, and control capacities, Geely has set up a three-level (Geely Holding Group-Brands-Companies) information security management organisation. The organisation has full-time and part-time information security officers in the Business Department to cooperate with the investigation and handling of security incidents. After receiving an information security report, relevant departments such as the Information Security Supervision Department, the Legal Department, and the Human Resources Department jointly set up an incident handling team to investigate and handle the incident.
- Employees and suppliers can file real-name/anonymous reports of any suspicious incidents to information security officers via telephone or email; they can also send documents via mail or report on-site.

Hotline: +86 057128096280

Email: [ISC@geely.com](mailto:ISC@geely.com)

## Building information security awareness

By organising various training activities for employees at different levels, Geely makes every effort to communicate regulatory updates and implement countermeasures to raise awareness on information security compliance among all employees.

### Onboarding training

New employees are required to attend information security training and pass an exam before they start at work.

### Management personnel training

We invited external professional agencies to organise 4 data Compliance-Related training sessions and 13 special training sessions on information security for all management personnel.

### Information Security Month

We held the Information Security Month event attended by 100 thousand participants online and offline. It covered employees' daily operating norms, behavioural norms, system standards, and other topics related to security.



# Data compliance governance

The promulgation of laws and regulations, including the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *European Union's General Data Protection Regulation* (GDPR), undoubtedly put forward higher requirements on enterprises to adopt stricter data and privacy management measures. Geely Holding Group actively responds to regulatory trends. We have created the *Privacy Protection Compliance Management Regulations of Zhejiang Geely Holding Group*, and the *Privacy Protection Compliance Management Mechanism Construction Guide of Zhejiang Geely Holding Group*, and the internal privacy protection compliance management system in accordance with the requirements of laws and regulations. To encourage the use of the system, we have provided a variety of supporting documents such as the privacy policy guide, templates, self-assessment checklists that define the requirements, and a short video that quickly helps employees learn and master the regulations.

Geely Holding Group established a joint working team for data security and proactively manages data security risks. In 2021, we developed the data security consulting and governance project to identify, classify, and grade data assets and identify and respond to the risks posed to data assets throughout the data lifecycle. This way, we can ensure that business data complies with relevant laws and regulations throughout the data lifecycle. In addition, by interpreting and writing a legal analysis of trending compliance topics, distributing data compliance information, and actively advocating data compliance during the "Compliance Culture Month" event, we further improved the data security risk awareness of all employees. In 2021, Geely Holding Group held training on data security regulations for personnel in key fields of data security such as sales and finance. The training coverage rate reached over 95%.



## Guiding the establishment of a data security team

- We guided our brands including Geely Auto, Lotus Technology, ZEEKR, LEVC, and Youxing Technology to establish data security teams and appointed a person in charge of data security respectively.

## Conducting risk self-examination and rectification

- We promptly resolved the issues of two Apps after being notified by the Ministry of Industry and Information Technology of the People's Republic of China.
- We organised automotive cybersecurity and data security self-examinations, and submit an annual report on data security risks to the Office of the Zhejiang Provincial Cybersecurity Affairs Committee.
- We checked and rectified all Apps of Geely to ensure personal information compliance, and formulated the *App Privacy Compliance Guide*.

## Implementing facial recognition risk management

- We investigated facial recognition business scenarios of Geely in accordance with regulatory updates, formulated the *Facial Recognition Compliance Management Specifications*, and carried out pilot trials in access control and attendance scenarios.

## Promoting the improvement of industry data security capabilities

- We undertook the compilation of the intelligent connected automobile industry research report commissioned by the Ministry of Industry and Information Technology of the People's Republic of China.
- We joined the (DSI (Data Security Initiative) initiated by the China Academy of Information and Communications Technology (CAICT) and the National Information Security Standardisation Technical Committee and take part in the formulation of standards and regulations



# Intellectual property management

Geely Holding Group places independent innovation and intellectual property at the core of our business strategy. We enforce comprehensive protection of our patents, trademarks, copyrights, domain names, and other fields of intellectual properties through our internal management regulations including the *Intellectual Property Management Measures*, the *Patent Management Measures*, and the *Trademark Management Measures*. We continuously improve our intellectual property (IP) management framework to support Geely Holding Group and our brands/segments in IP mining and portfolio building, risk screening, IP protection, IP operation and litigation.

In 2021, we delegated IP management work to Geely's Intellectual Property Department of Legal Affairs Centre. This is intended to integrate and optimise business processes and improve Geely's work efficiency in the field of intellectual property.

Moreover, we strongly encourage employees to explore and innovate. We award patent application and licensing incentives to inventors in accordance with the *Patent Management Measures* to motivate employees to file patent applications.

**As at the end of 2021  
Geely Holding Group had**

approximately

**18,000**

valid patents,

over

**5,700**

invention patents.

Note: The statistical calibre is the business entities covered by the scope of report.



# GREEN DEVELOPMENT: PAVING THE WAY TO SMART LOW-CARBON TRANSFORMATION

Driving global climate change action and building a resilient, responsible, and sustainable value chain is an integral part of Geely's sustainable development. We advocate resource conservation and low-carbon economy, and we put our ideals into practice. We join efforts with global partners, actively build a diversified new energy ecosystem, and focus on the zero-carbon transformation across the entire value chain. Our aim is to provide users with eco-friendly smart products and solutions. We strive to do our part in building enterprise green innovation competitiveness, promoting green transformation of the industrial chain, and driving global carbon neutrality.

## Sustainable development performance

We completed **100%** independent research and development of Chinese NEV technology system and solutions

We were rated as a **AAAAAA** enterprise in the 2021 Automotive Industry Green Development Index

PV electricity used was approximately **79,548** MWh during the year (in China)



<p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>	<p><b>15</b> LIFE ON LAND</p>

Contribution to SDGs



# A new energy ecosystem

Geely Holding Group aims to diversify its new energy product range in light of the changing global automobile industry and application environment. With new energy R&D experts from around the world, Geely leverages its innovation capabilities to build a world-leading new energy R&D and manufacturing system.

## Diverse new energy technologies

### Pure electric technology

With the new-energy electric vehicles (NEVs) becoming a global trend, electric vehicles are becoming mainstream. Geely is committed to creating a zero-emission future mobility option, and we work with our brands to provide electrified product lines so that users can enjoy better pure electric mobility solutions.

In 2020, Geely released a new, in-house developed platform for pure electric vehicles, Sustainable Experience

Architecture (SEA). SEA is the world's first open-source EV architecture and is expected to increase the availability of global zero-emission vehicles. SEA signifies that Geely's intelligent EV strategy is to lead industry upgrade and open collaboration. These combined efforts will contribute to global energy conservation and emissions reduction. With the needs of users in mind, SEA breaks through traditional car manufacturing limitations. Integrating hardware, system, and ecosystem, SEA achieves comprehensive hardware

compatibility, system evolution, and ecosystem cooperation. SEA enables infinite ways of interaction, making it a mobility service system of the future.

In April 2021, Geely launched a new pure electric brand ZEEKR, and the brand unveiled its first smart EV based on SEA-ZEEKR 001. The new brand will drive the formation of Geely's pure electric intelligent technology ecosystem.

### Geely's pure electric models:



**ZEEKR** ZEEKR 001

The use of lithium batteries is optimised. The regular fluctuation of impedance is accounted for to reduce inefficient heat loss and energy consumption



**polestar** Polestar 2

Compared to a fuel vehicle built on the same platform, Polestar 2 emits 14%-57% less greenhouse gas emissions over its lifecycle



**几何汽车 GEOMETRY** Geometry A Pro

Maximum braking energy recovery efficiency is close to 100%  
The heat pump air conditioning system helps increase range by 5%-10% in winter



**LOTUS** LOTUS Evija

Combined CO<sub>2</sub> emission target 0 g/km  
Electricity consumption per hundred km 26.1 KWh



**VOLVO** Volvo C40 Recharge

When a driver charges a C40 Recharge with clean energy, such as wind power, the CO<sub>2</sub> life cycle impact of the car is nearly half that of a C40 powered by electricity from the global energy mix (around 60 per cent generated from fossil fuels)



## Superior hybrid power technology

Hybrid power technology can help reduce dependence on fossil fuels; it also reduces fuel consumption and car ownership costs while enabling the continued use of automobiles. Thus, hybrid power plays a key role in the transition from fuel vehicles (FVs) to new energy vehicles (NEVs). In 2021, the release of Geely's global EV brand, NordThor Power, ushered the Geely "Power 4.0", a technology electrification new era of Geely. NordThor Power uses the NordThor Hi-X, a hybrid powertrain system marked by its high-efficiency transmissions and engines, and a new-generation electric powertrain-E-Drive. The E-Drive can be used for [Class A0-C](#) vehicle classes of different dimensions and deployed in various types of electric vehicles including [HEVs](#), [PHEVs](#) and [REEVs](#). The diverse combinations can enhance vehicle fuel economy and performance. NordThor Power's Dedicated Hybrid Transmission, or DHT Pro system (specialised transmission for hybrid powertrain system) enables high efficiency, low loss, high performance, and high integration, allowing the NordThor brand to fulfil the global market gap of 3-speed hybrid transmissions. NordThor Power will offer superior, intelligent powertrain solutions to consumers worldwide and realise the vision of "making China the world's EV supplier".

### World-class modular intelligent hybrid powertrain platform-NordThor Hi•X

The engine thermal efficiency reaches

**43.32%**

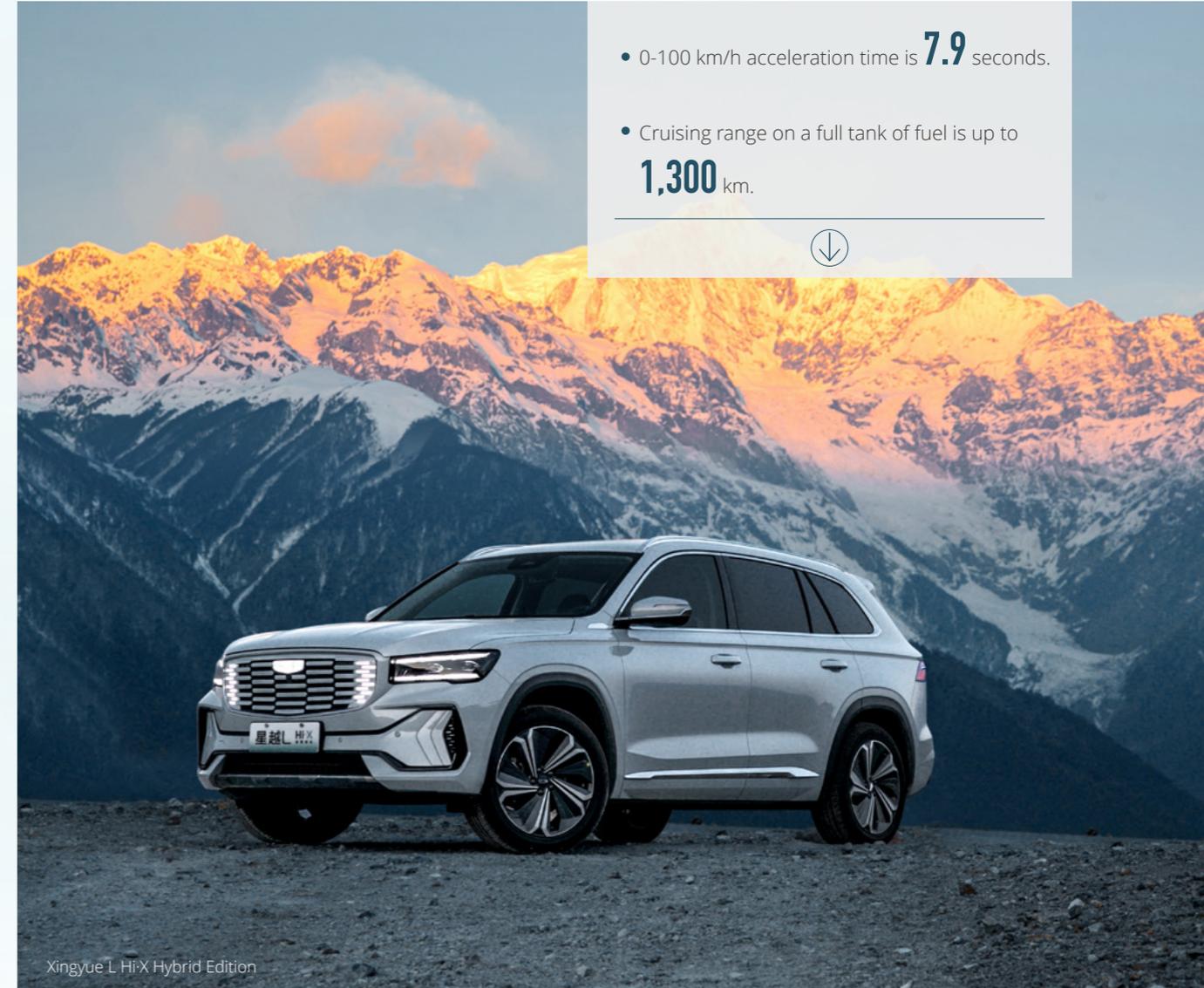
breaking Energy Star's thermal efficiency certification record for mass-produced hybrid engines.

The fuel saving rate is over

**40%**

Fuel consumption is as low as

**3.6** L/100km.



Xingyue L Hi-X Hybrid Edition



## Methanol technology

The automotive transition towards low carbon has gradually become an industry consensus, making the development of NEVs unstoppable. As pure electric technology matures, we also need to accelerate the transformation by unceasingly exploring other sustainable powertrain technologies. With a forward-looking vision, Geely has been exploring methanol vehicles as early as 2005 due to methanol fuel's green characteristics: low-carbon, liquid-state, high-efficiency, and safe. We have been developing methanol vehicles for 17 years and successfully solved industrial challenges such as methanol tolerance and durability of methanol engine parts.

Our core technology in methanol vehicles has garnered more than 200 patents, and we have developed over 20 methanol-fuelled models, with cumulative mileage reaching nearly 10 billion kilometres and maximum single-vehicle mileage exceeding 1.2 million kilometres. We are also the first automotive OEM in the world to achieve mass production of methanol vehicles.

Geely is not only the enterprise launching the largest number of methanol vehicles in the market, but also the automotive manufacturer that used the most methanol vehicles in its

trial operation. In a 5-year methanol vehicle pilot project initiated by the Ministry of Industry and Information Technology spanning five cities, Geely has invested 908 methanol vehicles, which accounted for nearly 90% of total pilot vehicles.

Geely is working to build its methanol business model to form a circular ecosystem integrating all factors-methanol, transportation, station, vehicle, and capture. We are fully committed to the development of methanol energy and methanol vehicles.

For every **1** ton of green methanol produced using CO<sub>2</sub>, **1.375** tons of CO<sub>2</sub> can be used.

Based on data compiled from the methanol vehicle pilot project, the Ministry of Industry and Information Technology estimates that, compared with gasoline vehicles, methanol vehicles can improve energy efficiency

by about **21%**, and reduce CO<sub>2</sub> emissions by about **26%**.





As at the end of 2021

More than **27,000** methanol passenger vehicles were used, with accumulated mileage of nearly **10 billion** kilometres,

saving **158,000** tons of gasoline consumption and reducing **19,400** tons of CO<sub>2</sub> emissions every year.

Methanol commercial vehicles were driven more than **5 million** kilometres, cutting **8,950** tons of diesel consumption,

and reducing **4,620** tons of CO<sub>2</sub> emissions each year.

In the test project conducted in the Iceland market, Geely methanol vehicles recorded cumulative mileage of over 400,000 kilometres and maximum single-vehicle mileage of over 100,000 kilometres

Geely methanol technology milestones:

2015

Geely invested CNY 280 million in Carbon Recycling International (CRI) to jointly explore the synthesis and production technology of clean methanol fuel. CRI is known for its world-leading capabilities in producing clean methanol. The company uses geothermal power to generate hydrogen and captures carbon dioxide to synthesise renewable methanol.

2019

Farizon Auto released the world's first methanol heavy truck. The truck is equipped with a methanol engine, which overcomes the two major technical challenges, namely difficulties starting at low temperature and corrosion of Methanol-Related components. It also makes breakthroughs in key technologies including the development of special lubricants and special additives, emission control, and methanol EFI control system. These technologies make Farizon a world leader in methanol vehicles.

2021

Farizon Auto launched the 13L [National VI](#) methanol engine, which further reduces energy consumption by 5% compared with the previous generation model. The methanol engine can generate 430-460 horsepower, cutting average annual fuel cost by 18% compared with diesel heavy trucks, making it a powerful, reliable, and economical methanol engine.

2022

Geely launched the world's first methanol hybrid sedan in the form of its fourth generation Emgrand sedan. This model is equipped with the world's first methanol hybrid engine and the 3-speed hybrid drive DHT PRO. The G4 Emgrand consumes around 9L of methanol per 100 kilometres. With methanol consumption cut by over 40%, its mobility cost per kilometre goes below 30 cents. This means Geely achieves both low energy consumption and high power. On March 28, methanol sedans developed and produced by Geely and methanol heavy trucks launched by Farizon Auto, began testing and trial runs in Aalborg, Denmark, the first methanol vehicle to be the road in Denmark. The project is one of Denmark's key measures to implement energy transformation and promote green methanol as a strategic fuel for Europe's green transformation, an indication that methanol will play a crucial role in furthering carbon neutrality in global transportation.





## Battery swapping technology

Charging and battery swapping are the main modes of power supply for electric vehicles (EVs). Compared with the traditional charging mode based on charging piles, the vehicle and battery are separated in the battery swapping model. This brings about two advantages: efficient power supply and lower cost. To drive the development of NEVs, Geely actively promotes enterprise-enterprise and government-enterprise cooperation with an open and inclusive approach. The aim is to build an intelligent battery-swapping service network to address a pain point of the NEV industry, an infrastructure that enables timely charging service. Geely's vision for the deployment of battery-swapping stations is the industry's first open battery-swapping ecosystem. Specifically, the integration of "three key factors" of the industry: the R&D of battery swapping technology, the manufacturing of vehicles that enable battery swapping, and the operation of battery-swapping stations.

### As at the end of 2021

Geely contracted with more than **1,000** swapping stations.



### Innovate battery-swapping model that drives sustainability

E-Energiee, Geely's battery swapping brand, is centred on independent innovation and continuous upgrading. E-Energiee is set to become the largest battery-charging and swapping service provider with full coverage and compatibility and leading technology. The E-Smart battery-swapping stations provide comprehensive charging and battery swapping services, and users can complete the battery swapping process within 60 seconds without getting off their vehicles. E-Energiee enables the vehicle-battery separation model, which not only solves challenges in charging and battery swapping services, but also supports complete battery lifecycle management, big data services for smart transportation and smart energy, etc. These services will also facilitate the

development of battery echelon utilisation and recycling industries and encourage resource reuse and recycling.

Equipped with energy storage service facilities, E-Energiee can deploy distributed and smart energy network by utilising blockchain, cloud computing and other technologies. E-Energiee can eventually become an integrated green energy platform for wind, solar, hydro, and nuclear energies, a smart platform for energy IoT ecosystem that delivers power supply anytime, anywhere, and ensures more efficient energy allocation and safer energy use for the public.



## Building green city logistics value chain

Geely is committed to the R&D and application of new-energy commercial vehicles based on multiple energy technologies. We have established [Green Intelligent Link](#), [Oneworld Technology](#) and [Soland Tech](#). Green Intelligent Link serves as a platform to match users with logistic solutions in urban environments. Oneworld Technology and Soland Tech jointly built the Oneworld Technology Transport Capacity Service Platform to match the logistics scenario of heavy trucks, offering vehicles, stations, logistics, energy, and information services. Both platforms work together to perform intelligent matching of people, vehicles, goods, stations, and electricity in all scenarios and thus achieve lower costs and higher logistical efficiency. These technologies support the development of IoT based green city logistics and energy services. The green, intelligent, and highly efficient energy service ecosystem will also facilitate the transition to zero-carbon in transportation.

### In 2021, Geely Holding Group's Farizon Auto

joins efforts with 11 value chain partners to jointly build the

## China Zero-Carbon Land Transport Alliance

The Alliance endeavours to build a carbon-neutral, intelligent and, highly efficient logistics industry in China.



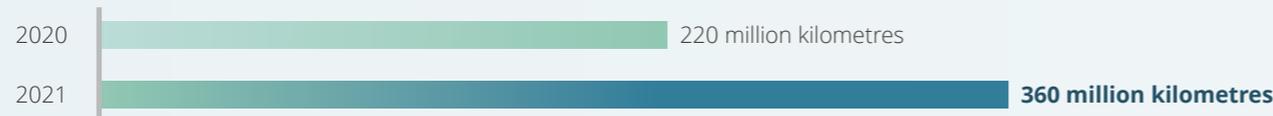
Farizon Auto's Homtruck provides a variety of new-energy power options including pure electric, range extender, and methanol P2 hybrid powertrain, etc.



## Green Intelligent Link

Green Intelligent Link focuses on building urban green transport and a smart Internet of Vehicles (IoV) platform to provide users support for green operations and mobile Internet of Things (IoT) co-distribution. The platform also supports complete life-cycle management services for new-energy logistics vehicles. Green Intelligent Link has received two awards for its service platform: the *Southern Weekly* “2021 Outstanding Award-Green Product of the Year” and the “LOG 2021 Low-Carbon Supply Chain Logistics Innovation Excellence Award”.

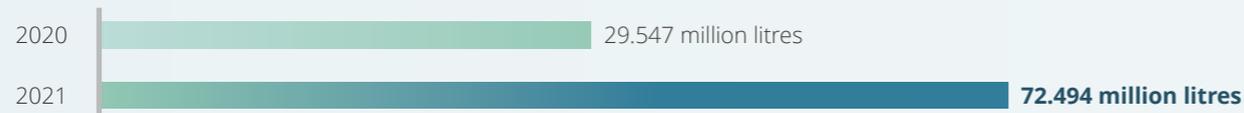
The total green mileage of Green Intelligent Link:



The accumulated carbon emission reduction:



The cumulative fuel saving:



## Oneworld Technology Transport Capacity Service Platform

The Oneworld Technology transport capacity service platform builds and operates charging and swapping stations and manages battery banks. Combining cloud computing, big data, and IoV technologies, the platform connects battery-swapping-capable heavy-duty trucks with super swapping stations. Oneworld provides intelligent charging and battery-swapping solutions for heavy-duty trucks to achieve fast recharge and maximise battery utilisation.

In October 2021, the Ningbo Green Heavy-Duty Car Carrier Truck Charging and Battery Swapping Station built by Oneworld Technology officially began operation. It is the world's first station that integrates wind and solar technologies for energy storage, charging, and battery swap. The one-stop-shop service solves multiple pain points for enterprises including high car purchase cost, long charging time, inefficient operation, low cargo capacity, and range anxiety. The first 50 battery-swapping heavy-duty trucks are expected to reduce CO<sub>2</sub> emissions by 18,400 tons over the course of five years.

## Soland Tech

Soland Tech is committed to becoming a world-leading green-energy service platform for electric heavy-duty trucks and application provider of off-line recyclable energy portfolio. The brand's all-in-one energy station integrates wind and solar technologies for energy storage, charging, and batter swap; it can function as a charging station, battery bank, and intelligent connected platform. These capabilities enable Soland Tech to provide swapping-capable heavy-duty trucks all-inclusive battery swapping services that integrate design, engineering, and operation. A station can be set up within 48 hours and moved to another location within 24 hours. Battery swapping for one vehicle can be done within 5 minutes, and 200+ times of swapping can be executed each day. The integrated ecosystem platform is designed with the “front station, back factory” model, offering offline recyclable energy units, renewable electricity purchase, green electricity trading, and carbon trading. This model can thus realise a power-supply, power-grid, power-load, energy-storage closed-loop operation, allowing for lower power supply cost, and more efficient, reliable, and economical battery swapping services for customers.



## Green actions across the value chain

Geely focuses on the whole lifecycle of vehicles and incorporates sustainability in the entire value chain, from raw material selection and design to manufacturing, packaging, logistics, and recycling. By using renewable materials and remanufactured and recycled parts, we improve the utilisation efficiency of energy and resources and enable circular economy. We can thus realise the integration and symbiosis of Geely and the environment in a responsible manner, and ultimately contribute to the green transformation of the automotive industry ecosystem.

### Use of sustainable materials

Geely has made continuous breakthroughs in environmental protection by prioritizing the use of eco-friendly materials. We seek to adopt recycled materials including steel, aluminium, plastics, and natural fibres (hemp fibre, straw fibre, etc.) in the manufacturing of vehicles. We also make constant efforts to make our automotive products more lightweight. Starting from the supply chain, we strive to reduce waste and improve the efficiency of resource use. Together, we can work towards harmonious coexistence among humans, vehicles, and nature.

#### Volvo cars actively explores the use of advanced sustainable materials

Volvo Cars is taking an ethical stand for animal welfare in its fully electric cars. Starting with the new C40 Recharge, all new fully electric Volvo models will be completely leather free. By 2030 Volvo Cars aim to offer only fully electric cars – all of them leather free. The leather will be replaced with a new sustainable material called Nordico, which has a 70% lower carbon footprint than the current leather supply.

Moreover, Volvo Cars has teamed up with Swedish steel maker SSAB to jointly explore the development of fossil-free, high quality steel for use in the automotive industry. Steel is one of the most carbon intensive materials in the automotive supply chain, so emissions within its production must be addressed. Volvo Cars is the first car maker to work with SSAB and its ground-breaking  HYBRIT initiative, the steel industry's most ambitious and advanced project in fossil-free steel development.

The chassis of ZEEKR 001 is made of 15% recycled steel and 25% recycled aluminium alloy.



The lightweight fabric used on the door panels and seats of the Geometry A model obtained the highest level of eco-friendly material certification in Europe.

Polestar and Woven Studio cooperated to develop a corn-based, fully biodegradable adhesive, with the aim to implement in coming Polestar vehicles.





## Green manufacturing

Geely fulfils its environmental responsibilities and adheres to the principle of “building green factories to do no harm to the environment, and making eco-friendly vehicles to do for humanity”. When building new factories and renovating old factories, we apply advanced energy-saving and eco-friendly technologies to improve energy efficiency, and reduce waste production. Our aim is to achieve three zeros in the production and manufacturing cycle: zero wastewater discharge, zero waste landfill, and zero hazardous substance discharge.

Geely established the  HSE management system procedure documents, standards, and evaluation specifications in accordance with the ISO 14001 environmental management system standards. In 2021, Geely Auto enforced the Thunder Action supervision and environmental protection module by taking measures to rectify management and facility non-conformities in a timely manner. A list of environmental compliance controls was issued to standardise daily environmental protection work. Manufacturing bases of our brands including Geely Auto, Volvo Cars, and Geely Commercial Vehicles have passed the ISO 14001 external audit, several factories also obtained the national green factory certification.

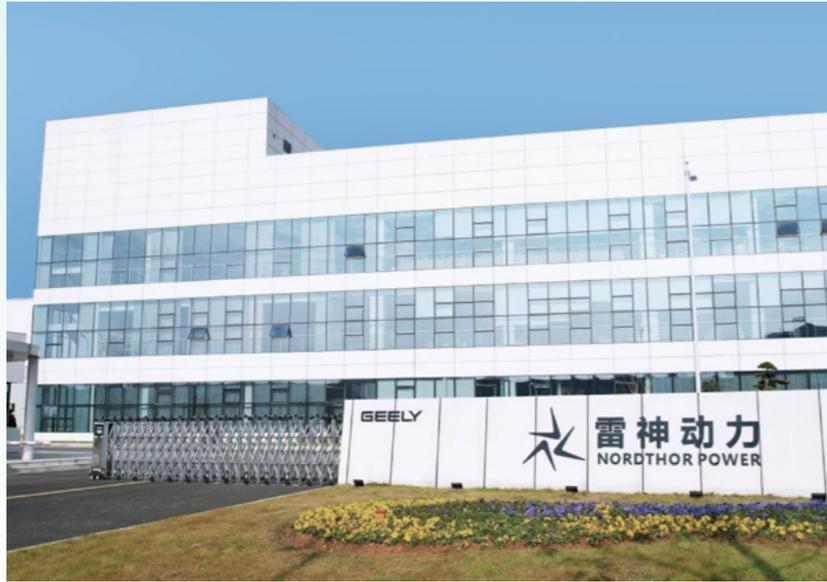
### Volvo Cars Taizhou Plant: Committed to reducing its environmental impact

Volvo Cars Taizhou Plant (hereinafter referred to as Taizhou Plant) continues to work to reduce its environmental impact. The Plant is committed to becoming climate-neutral and more circular in its operations.

The Taizhou Plant continuously improves its own power generation capacity by expanding the solar photovoltaic (PV) power generation project to ensure effective use of renewable energy. By the end of 2021, its renewable energy utilisation rate reached 46%. And in 2022, the Taizhou Plant has achieved climate neutrality in its electricity usage.

The Taizhou Plant commits to production and operations based around the circular economic model by e.g. using returnable packaging. The plant strives to improve its recycling rate of material waste. The Plant has also obtained the green supply chain certification from the Ministry of Industry and Information Technology of the People's Republic of China .





The brand new NordThor Power DHT Smart Micron Factory aims to achieve zero carbon. It has implemented low-carbon production and management system in all its processes, and is committed to realising the green cycle as a factory with zero wastewater discharge, zero waste landfill, and zero hazardous substance discharge.



Lotus Technology Wuhan Smart Factory has targeted zero emission since its planning stage. The Factory uses carton dry spray booths and implements other energy-saving and emission reduction facilities such as photovoltaic power generation, waste gas incineration, rainwater collection, reclaimed water reuse, and waste heat utilisation.



Polestar's production facility in Chengdu is China's first car factory to receive the Gold rating awarded by LEED, a globally recognized green building certification programme. The factory also uses 100% renewable electricity.



Centred on the value of green mobility, the LEVC Smart Factory 4.0 can interconnect all its business systems and processes and provide real-time cloud-based data to facilitate green production.





## Energy management

Geely is committed to improving energy efficiency and has established a sound energy management system. Our brands have energy management regulations and processes in place, and energy management systems are implemented to monitor irregularities in the production and operation processes. These measures allow for real-time dynamic monitoring to facilitate the energy management at production bases.

We actively promote PV projects on production bases and use clean hydropower energy at sites where conditions allow. With buildings and parking lots with PV systems, Geely's green energy self-sufficiency will be further improved.

**In 2021, Geely Auto's**

installed PV capacity reached

**110** MW.

## Water resources management

At the initial stages of site selection and factory construction, Geely assesses environmental impacts in compliance with relevant laws and regulations and gives full consideration to local water resources. At all stages of operations, we strictly implement the concepts of multiple use of water and water recycling to minimise consumption of water resources and its impact on surrounding communities. In 2021, we implemented strict water-saving management and control for each vehicle, and actively promoted the recycle and reuse of water resources.

### Geely Auto's measures to recycle water and effluents



Recover and reuse all phosphating wastewater to reduce the discharge of pollutants.



Use hot water boilers instead of steam boilers to reduce the use of soft or pure water in boilers.



Install pools to collect reclaimed water and reuse for cooling systems or greening.



Recycle steam condensate.

**In 2021, Geely Auto's**

recycling rate of industrial water resources reached

**97.57%**.

## Pollutant discharge management

Geely requires our brands to manage pollution discharges in the production process in accordance with national and local regulations and standards. We consistently enforce standards to enhance compliance with regulations regarding water, gas, sound, and residue in all production bases of our subsidiaries. To reduce the probability of pollutants and discharges in the environment, Geely Auto's stamping and spraying workshops are equipped with advanced noise reduction and wastewater treatment facilities to reduce noise pollution and exhaust emissions.

**In 2021, Geely Auto's each production base's**

Discharge of wastewater, waste gas, noise, and other pollutants was

**100%** in compliance with standards.

Solid waste disposal was

**100%** in compliance with standards.



The installed capacity of rooftop photovoltaics in ZEEKR's factory reached 29.46MW. Besides PV systems, ZEEKR's factory will also fully implement green-electricity-certified procurement starting in 2022.



## Circular packaging and green logistics

Geely is committed to reducing resource use and greenhouse gas emissions in the logistics system by taking measures such as using recyclable materials and optimising transportation.

### Circular packaging

We adopt principles of recycling in sustainable packaging and promote the research and development, and application of reused packaging materials. We use eco-friendly packaging materials such as paper, wood, and recyclable plastics, and different materials are selected according to the different conditions and product characteristics at each manufacturing base. These efforts are aimed at accelerating wider application of circular packaging.

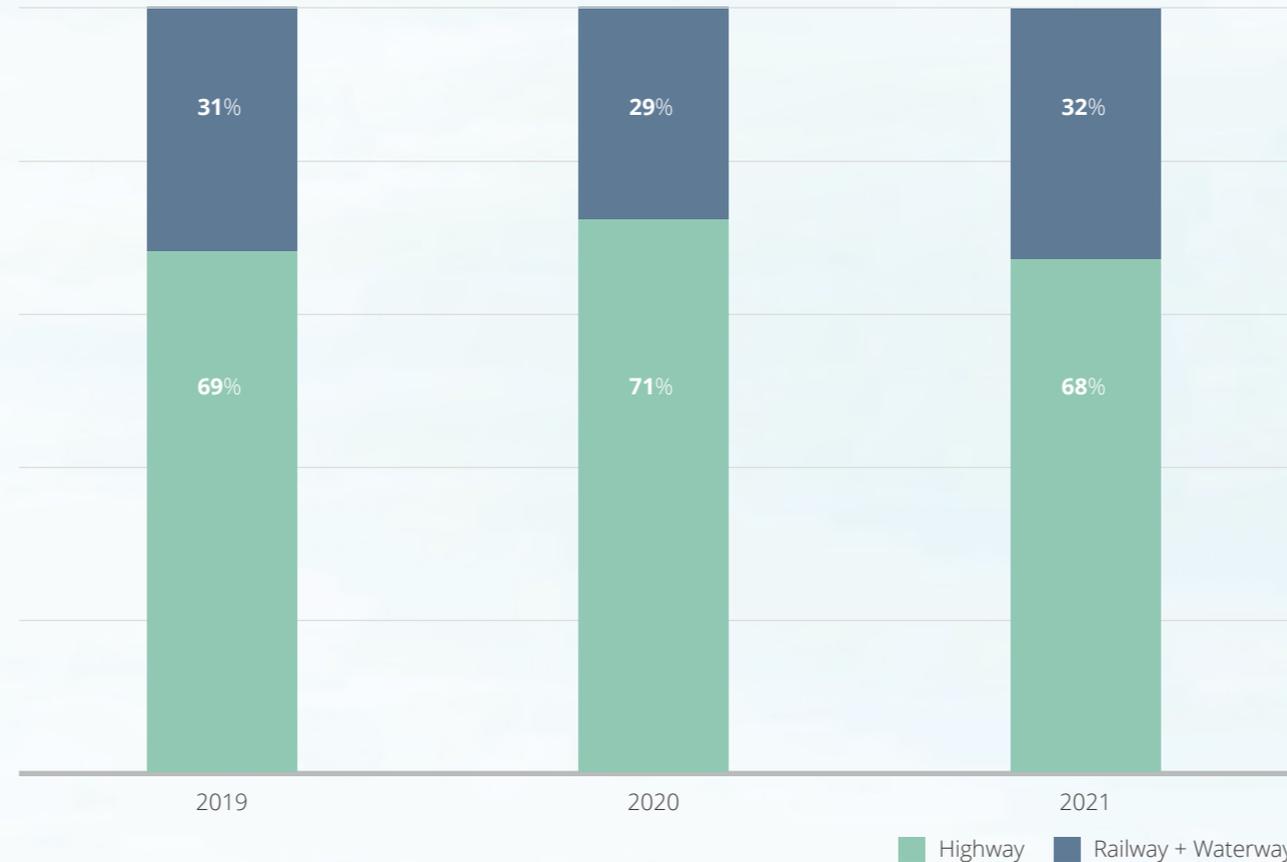
#### Recyclable packaging improvement project

In 2021, Geely Auto conducted a comprehensive survey of the use of single-use packaging at production facilities. We then phased out the use of disposable packaging at all production sites by setting annual targets for recyclable packaging. We cut down the use of single-use packaging materials such as disposable cartons, wooden boxes, and disposable linings. Our circular packaging improvement project has been extended to 12 vehicle manufacturing sites and one of Geely Auto's powertrain manufacturing bases. We have also introduced circular packaging for incoming components for 58 suppliers in 72 projects.

### Green logistics

Geely continuously optimises vehicle logistics and transportation systems and makes use of the railway and waterway transportation network (hereinafter referred to as railway and waterway combined transportation). We also promote the use of new-energy transport vehicles in Geely's logistics systems. We have established transit warehouses to consolidate goods and reduce the number of transport vehicles and carbon emissions generated in the logistics and transportation processes.

#### Geely Auto's proportion of low-carbon logistics transportation





# Biodiversity

Geely focuses on the compatibility between the enterprise's manufacturing and business activities and the surrounding natural environment. In response to the *United Nations Convention on Biological Diversity (UNCBD)* and the *Sharm El-Sheikh to Kunming Action Agenda for Nature and People*, we actively mobilise stakeholders such as brands and communities to participate in the conservation of biodiversity.

## Incorporation of biodiversity into the lifecycle impact assessment of project construction by Geely Auto

Geely Auto takes the initiative to identify and prevent negative impacts of project construction on biodiversity and ecosystem integrity. With systematic environmental planning, Geely Auto Guiyang Company preserved local lakes and mountains when planning its factory, and thus earned the reputation of being the "garden factory". Guiyang Company invests significant management resources and uses advanced treatment equipment at every phase of the project to ensure biodiversity conservation and preserve the habitat of more than 130 kinds of birds in Baihua Lake near the factory.

Project construction phase	Key measures for biodiversity conservation	Result
Planning and design phase	<ul style="list-style-type: none"> <li>• Environmental impact assessment</li> <li>• Environmental protection facility design</li> </ul>	<ul style="list-style-type: none"> <li>• Measuring and assessing the impacts of project engineering on biodiversity and ecosystems</li> </ul>
Construction and implementation phase	<ul style="list-style-type: none"> <li>• Environmental protection during construction</li> </ul>	<ul style="list-style-type: none"> <li>• Minimise negative impacts on biodiversity and optimise positive impacts</li> </ul>
Acceptance and operation phase	<ul style="list-style-type: none"> <li>• Environmental protection acceptance</li> <li>• Obtaining the ISO 14001 system certification</li> </ul>	



# Active response to climate change

In accordance with the recommendations proposed by the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), Geely Holding Group discloses our efforts and progress in addressing climate change risks from four aspects: governance, strategy, risk management, and metrics and targets.

## Governance, strategy, and risk management under the TCFD Framework

### Governance

Geely has established a sustainability management structure with a sound system and clear responsibilities. Our Carbon Neutrality Task Force is responsible for researching policy trends and industry trends on carbon neutrality, formulating overall strategies and goals for carbon neutrality, and establishing corresponding operation mechanisms and processes. The Task Force also leads the carbon neutrality efforts and the development and trading of carbon assets across brands/businesses. The ESG Carbon Neutrality Task Forces of our brands/businesses assist in the implementation of relevant action programmes and conduct ESG work planning.

For the sustainability management structure, please refer to [Sustainability management](#)

### Strategy and risk management

A technological revolution and industrial transformation are happening. Automobiles are becoming integrated with technologies such as new energy, transportation, and information and communication. As such, electrification, intelligence, and the Internet have emerged as major trends in the development of the automotive industry. Profound changes are happening in terms of the form of automotive products, the modes of transportation mobility, and the structure of energy consumption. This is a time of unprecedented opportunities for the NEV industry chain. Guided by our sustainability values, Geely takes action to address the risks and challenges of climate change by investing in the new energy sector. While striving to achieve our own green development, we also do our part to drive the economy's low-carbon transformation.

On 31 October 2021, Geely Auto, a subsidiary of Geely Holding Group, officially released the "Smart Geely 2025" strategy. We also adopted the "Nine Longwan Action" to fully implement the strategy. The "Nine Longwan Action" lay out Geely's engagement on multiple fronts: technology, new energy, digital transformation, carbon neutrality, and more. The action programme reflects Geely's mission to create a smart mobility experience that exceeds user expectations, develop advanced technology to lead the global automotive industry, and become the most competitive and esteemed Chinese auto brand in the world.



#### Longwan Action III

Over the next five years, Geely Auto will launch more than 25 new smart new-energy products, leading the era of smart mobility terminals.

#### Longwan Action VI

Geely Auto will make every effort to accelerate the transition towards sustainable energy. We are on track to cut 25% of total carbon emissions by 2025 (2020 base year), and achieve carbon neutrality by 2045.



Based on our industry and enterprise characteristics, we have identified our existing or potential Climate-Related risks and assessed the impact and opportunities of these risks with qualitative and quantitative analysis. In the future, Geely plans to gradually conduct a more precise quantitative analysis by further identifying applicable scenario analysis.

Risk category	Potential climate Change-Related risks associated with Geely Holding Group
<b>Physical risk</b>	
<b>Policy and legal risk</b>	<ul style="list-style-type: none"> <li>• Passenger car products must comply with relevant provisions of the “dual-credit policy”, and the continuous advancement of the carbon neutrality goal may lead to higher credit prices and stricter regulatory penalties.</li> <li>• The government has enhanced its regulatory efforts with respect to carbon emissions. Enterprises may encounter more stringent carbon emission regulatory policies.</li> <li>• The launch of carbon trading schemes in China and global markets increases the risk of mandatory emission control policies.</li> </ul>
<b>Technology risk</b>	<p>With a growing demand for low-carbon automotive products and green transportation in the global market, the popularity of charging facilities, and the use of non-renewable energy sources, the proportion of traditional fuel vehicles will gradually decline and be replaced by NEVs, which creates the following risks:</p> <ul style="list-style-type: none"> <li>• In the short term, we are required to make larger R&amp;D investments in new energy technology.</li> <li>• In the medium term, the new technologies and processes required for low-carbon production will result in the replacement and iteration of equipment, and the risk of asset impairment.</li> </ul>
<b>Market risk</b>	<ul style="list-style-type: none"> <li>• Consumer habits of automotive product use will be affected by technological progress. The maturity of sharing and autonomous driving technologies will create more usage scenarios. Some consumers, especially those who pursue a low-carbon lifestyle, will favour more eco-friendly products and services. In the medium and long term, this will lead to risks associated with the automotive industry's transformation.</li> <li>• The scarcity of non-renewable resources and energy will make it harder to estimate their prices and thus affect the costs and prices of related products and services. This will also impact consumer demand for products and services, thereby changing consumption choices.</li> </ul>

Risk category	Potential climate Change-Related risks associated with Geely Holding Group
<b>Physical risk</b>	
<b>Reputation risk</b>	<ul style="list-style-type: none"> <li>• Global climate change is a growing concern and now poses a potential risk to our reputation. As a responsible enterprise, we must lead by example, support the transformation towards a low-carbon economy, and avoid behaviours that cause damage to the environment. Otherwise, we may lose support among stakeholders, and our reputation may be negatively affected.</li> </ul>
<b>Transition risk</b>	
<b>Acute risk</b>	<ul style="list-style-type: none"> <li>• Geely's headquarters office area and production bases are in Zhejiang Province, a coastal area in southeastern China. These areas are affected by extreme weather in summer such as typhoons and heavy rainfall, which incur economic losses and casualties. Therefore, it is crucial for us to effectively assess the risks caused by acute risks such as typhoons and floods to production facilities and employees. The ability to respond to emergencies and disasters is crucial in case of these natural disasters.</li> </ul>
<b>Chronic risk</b>	<ul style="list-style-type: none"> <li>• Climate change gives rise to long-term risks such as persistent high ambient temperatures and rising sea levels, which may disrupt the stability of production operations and supply chains. Therefore, to prevent negative impacts and manage risks, we need to invest more resources in risk identification and our response capabilities.</li> </ul>
<b>Coping strategies</b>	
<p>To cope with climate-related risks, Geely began preparations for the development of a one-stop carbon management platform in 2021. We also formed a professional carbon finance team to empower carbon management with digital technology. Moreover, we actively engaged in national carbon trading and green finance, and promoted low-carbon transformation in enterprises and society.</p>	



### Targets and metrics

Geely fully recognises the urgency of the enterprise transformation towards low-carbon and sustainability and has set carbon neutrality goals as one of the key strategies for our development. Following extensive research and discussions, we laid out the overall carbon neutrality goals across the value chain to be achieved by us by 2045. At the same time, we encourage exchanges and cooperation between brands and businesses under Geely Holding Group. We hope to raise our independent innovation capabilities, and work with partners in the industry chain to seek breakthroughs in key technologies. We take charge to bring about the realisation of the group-wide carbon neutrality goals.

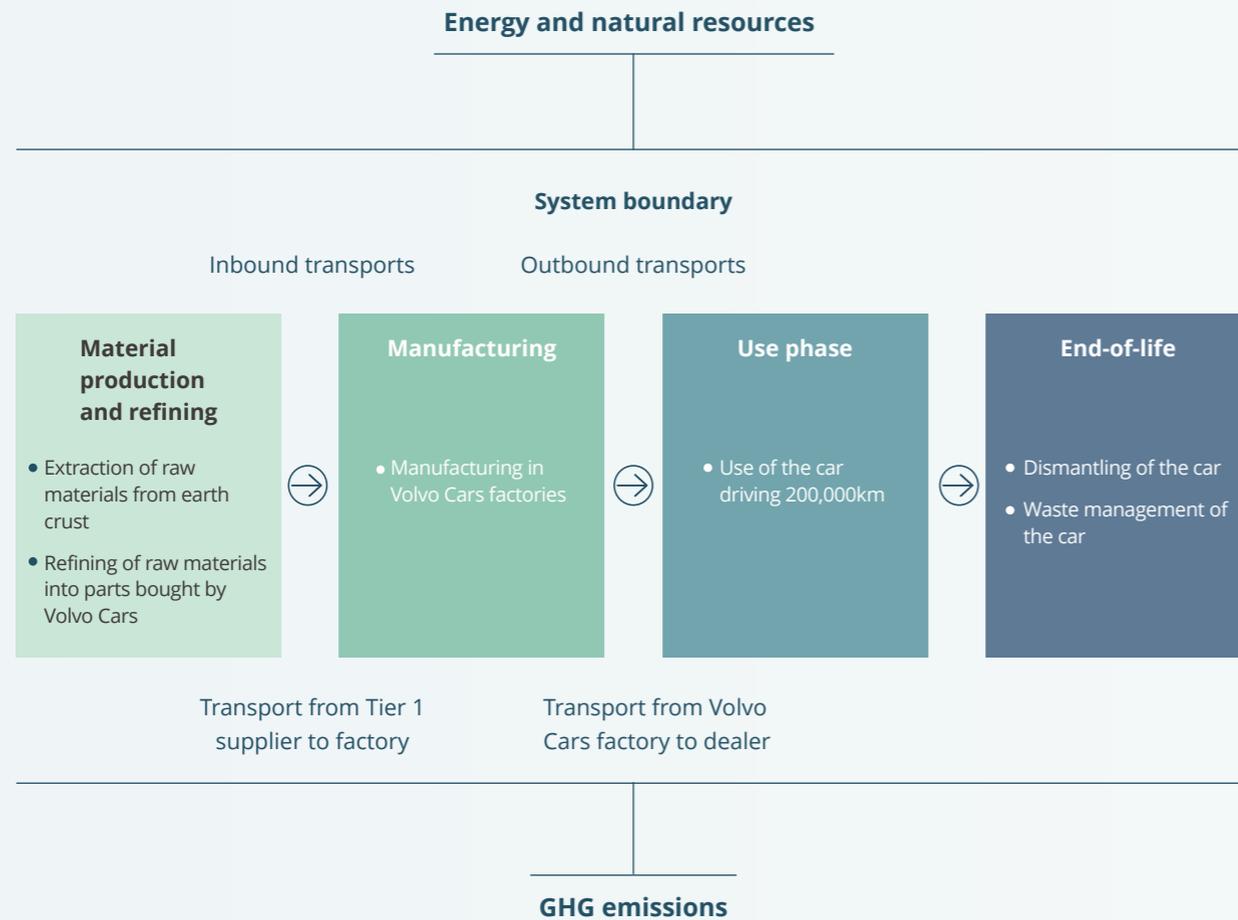
### Carbon emission reduction targets for brands under Geely:





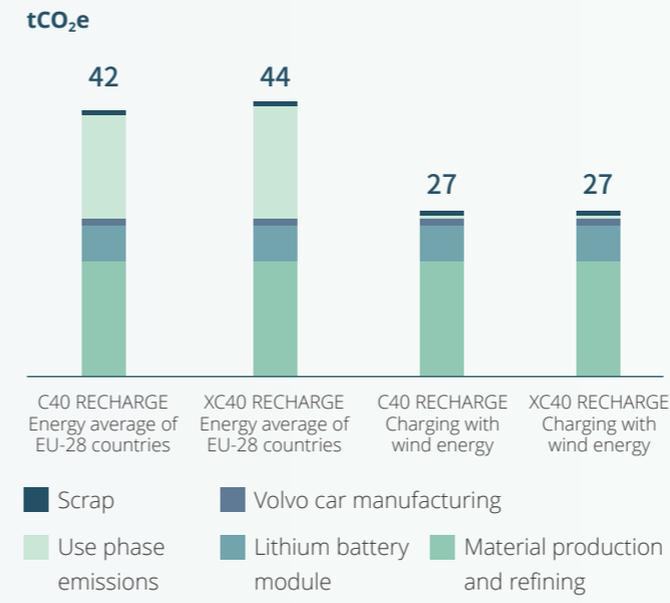
### The lifecycle performance of Volvo Cars' products

Comprehensive Life Cycle Assessment (LCA) has been performed which demonstrate the lifecycle carbon impact of their fully electric vehicles. This is in order to be transparent to consumers and help them make informed buying decisions, as well as to enable Volvo Cars to better identify and target carbon intensive areas of their EV supply chain. The LCA's will assist Volvo Cars in reducing its lifecycle carbon footprint by 40% per average vehicle between 2018 and 2025.



Volvo Cars plan to disclose the full lifecycle carbon footprint of every new fully electric model, starting with the XC40 Recharge and C40 Recharge.

The following chart shows the life cycle carbon footprint of the XC40 fuel version and electric version:



In addition to the LCA analysis of each of its future models, Volvo Cars announced an internal carbon price of SEK 1,000 per ton of carbon dioxide emissions in 2021, thereby becoming the first auto company to implement such a carbon pricing mechanism across its complete operations. Volvo Cars believes this will bring further internal focus to accelerating the reduction of carbon emissions and help achieve their goal of becoming a climate-neutral company by 2040.

Going forward, Geely will continue to improve on its existing sustainability plan. We will advance our research on carbon neutrality strategy to better manage Climate-Related governance and strategy, risks, and opportunities. We will also work with our brands/businesses to carry out product carbon footprint research and map out carbon neutrality goals and action plans in line with corporate development. With integrated efforts in various areas including intelligent manufacturing, green energy, recycled materials, new manufacturing processes, green R&D, green parks, energy-saving and carbon reduction, green supply chains, and carbon sink, we will further reduce carbon emissions and ultimately realise low-carbon and sustainable transformation within the entire Group.

Environmental KPIs	Unit	2021
GHG emissions (Scope 1)	tCO <sub>2</sub> e	261,159
GHG emissions (Scope 2)	tCO <sub>2</sub> e	869,943
GHG emissions (Scope 3)	tCO <sub>2</sub> e	95,207,820
<b>Total GHG emissions (Scope 1 + Scope 2 + Scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>96,338,922</b>

For the statistical range and calculation method, please refer to [Definitions](#)



## Advocating a green and low carbon concept

### Promoting green and eco-friendly mobility

As green and low-carbon values become more incorporated in urban development and daily life, green mobility has gradually attracted public attention.

Cao Cao Mobility is an integral part of Geely Holding Group's plan for an "NEV sharing ecosystem". With the mission of "shaping green sharing mobility with technology and green mobility for all", Cao Cao Mobility is dedicated to the intelligent and low-carbon development of mobility. As the first mobility platform in China to set up carbon asset accounts for users, Cao Cao Mobility records every order and generates an amount of voluntary carbon emission reduction per order. By using Cao Cao Mobility, users can reduce approximately 142 grams of carbon emission per kilometre; the amounts are recorded in their personal carbon asset account on the Cao Cao Mobility app.

Since its establishment six years ago, Cao Cao Mobility has

saved **534 million** litres of fuel resources,

and reduced a total **1.0835 million** tons of carbon emissions.

Since its rollout in the UK, LEVC TX has

reduced approximately **90,000** tons of CO<sub>2</sub> into the atmosphere.

reduced approximately **54.9 million** litres of fossil fuel consumption.

LEVC, a subsidiary of Geely Holding Group, is committed to providing global users with a green and environmentally friendly driving experience. All its products are powered by battery and new energy that provide an extended range. With the latest electric drivetrain system technology and advanced materials, LEVC creates green mobility products in keeping with the world's highest emission standards. Its green manufacturing begins from the source as LEVC continues to strengthen green technology R&D capabilities, to invest in world-leading environmental protection processes, and to optimise daily management of energy conservation and emission reduction. LEVC's endeavours in building green factories will also contribute to environmental protection for the city.



## Raising environmental protection awareness

Geely encourages employees, users, and the public to actively participate in energy conservation, emission reduction, and environmental protection. We make full use of corporate technological innovation advantages and coordinate resources from our brands/businesses to provide the public with channels to participate in environmental protection activities. We hope this will help transform environmental protection awareness into low-carbon habits and contribute to a green tomorrow.



## Blue Guardian aerospace technology empowers marine environmental protection

On Earth Day, 22 April 2021, Geely officially released its “Blue Guardian” global marine public welfare action. The “Blue Guardian” initiative utilises satellites, landing base stations, and cooperative satellite services of the high-performance remote sensing AI satellites independently developed and designed by Geely’s Geespace. Using satellite remote sensing to observe the floating trash in the ocean and near-coastal areas, the Blue Guardian initiative helps build a three-dimensional collaborative monitoring and prevention system for marine debris. These efforts will be part of the solution to the issue of ocean surface debris supervision and governance.

While Marine debris is the most pressing issue at present, the “Blue Guardian” project also monitors marine accidents such as oil spills on the sea surface with remote sensing. For instance, the spilled oil film diffusion is analysed, and the spread of marine red tides and proliferative organisms are monitored. The Blue Guardian can therefore issue disaster early warning and support environmental protection for coastal fisheries; it can also use aerospace technology to provide technical resources for comprehensive marine pollution control and assist in marine environmental protection.

In the future, people will be able to visit the “Blue Guardian” public welfare portal on multiple platforms to obtain satellite images of the ocean; they can also accumulate “blue star carbon credits” for their eco-friendly actions and participate in events for marine environment protection.

## Working together for energy conservation and consumption reduction

Geely actively fulfils environmental protection responsibilities. In multiple scenarios for employees and users, we organise a range of events and activities promoting energy conservation, consumption reduction, and carbon emission reduction. People can take advantage of these activities in their pursuit of a sustainable lifestyle.

- The “G-carbon” applet is a carbon account platform recording and rewarding employee emission reduction behaviours. Employees participate in activities such as low-carbon stair climbing, spring planting, and Earth Day “Clear Your Plate” campaign through the applet, and accumulate “G-mileages” to record carbon emission reduction credits and exchange them for exquisite gifts.
- During Tree Planting Day and Earth Day, we carried out ecological protection activities such as tree planting, sand fixation, and soil conservation to promote the concept of energy conservation and consumption reduction and encourage employees to practice a low-carbon lifestyle.



# SUPERIOR QUALITY ENSURES SAFE TRAVEL

In the era of Industry 4.0 and the Internet of Everything (IoE), the brands under Geely Holding Group make joint efforts and apply cutting-edge technologies to provide global users with safer products and services. We are committed to ensuring the safety of vehicle occupants and road users. With the diverse needs of users in mind, we strive to create a safe, secure, smart, and convenient mobility experience for users that exceeds their expectations and brings us closer to the ultimate goal of zero accident, zero casualty.

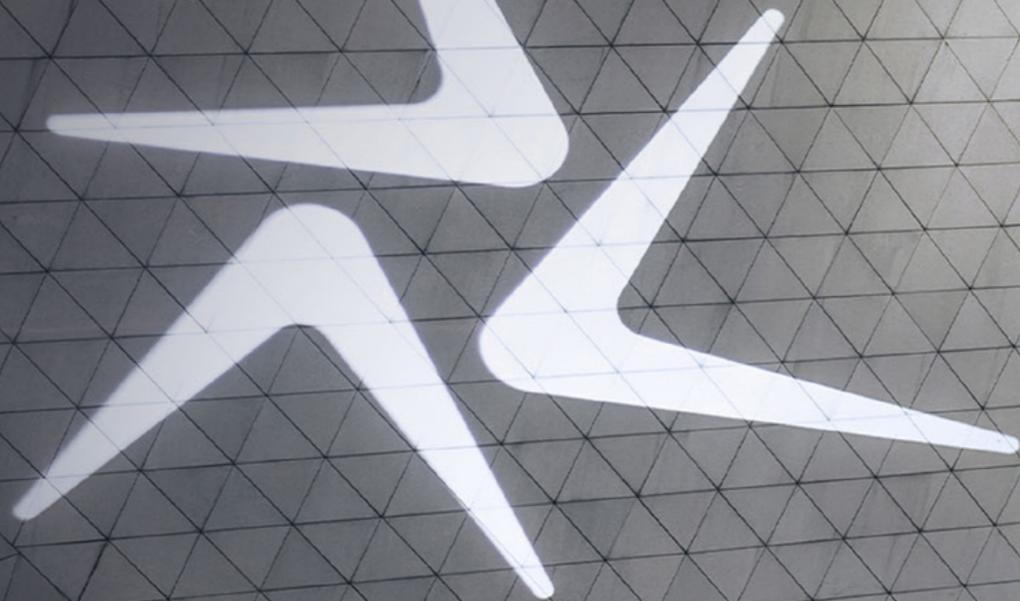
## Sustainable development performance

Several models obtained **5-STAR** safety ratings by E-NCAP or C-NCAP

According to J.D. Power's China Customer Service Index (CSI) Study on automotive after-sales service,

Geely ranked **first** among Chinese independent brands,

and it was the first time the Group ranked **third** among mainstream car brands





# Stringent quality management

Geely assures the safety and quality of products. Making high-quality products is our core value. High standards are upheld for our quality control throughout all stages of the product lifecycle and in all aspects of our people management. We never cease to improve our quality management to achieve sustainable progress in product quality.

and updates based on business development needs. As at 31 December 2021, brands including Geely Auto, Volvo Cars, Geely Commercial Vehicles, and LEVC under Geely Holding Group all received the ISO 9001:2015 quality management system certification; Geely Auto's Powertrain Company was awarded the IATF 16949-2016 quality management system certification. In addition, Geely's nine laboratories have been certified by China National Accreditation Service for Conformity Assessment (CNAS).

Our quality assurance management spans all stages of product life. With concerted efforts from our brands/businesses, stringent quality control is enforced in all aspects to help us reach our aim of "zero defects".

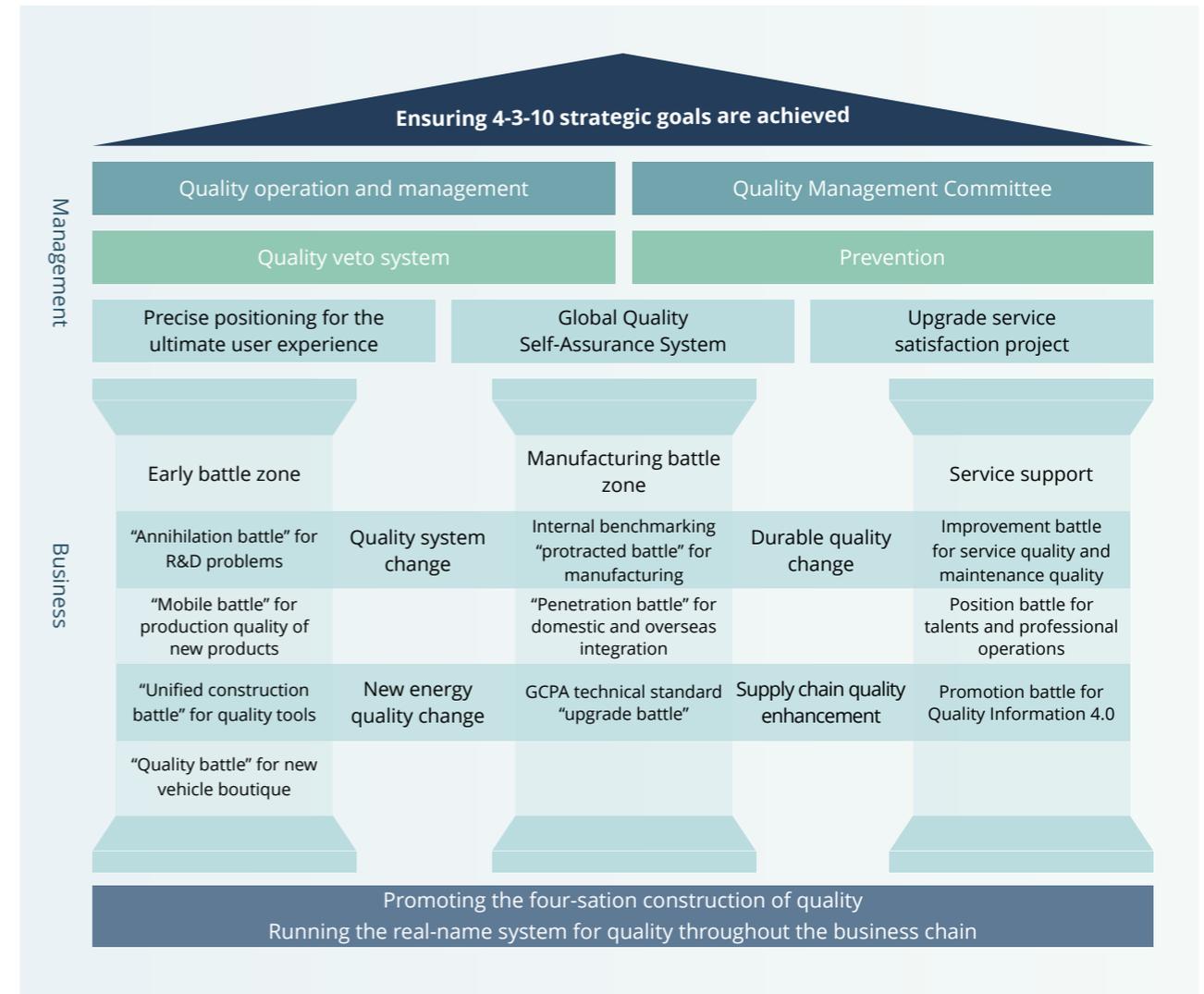
## Quality awards in 2021

- Entered selection for the China Quality Award for the first time and was awarded the **only** China Quality Award Nomination Award for Chinese Passenger Vehicles
- Awarded Outstanding Enterprise for Quality Management Activities in National Machinery Industry for **11** consecutive years

## Product quality validated by market research

J.D. Power research ranked Geely's problems per 100 vehicles (PP100) **22<sup>nd</sup>** in the mainstream car market; Geely Borui's PP100 ranked **No.1** in the mid-size high-end economic car segment

Geely has put in place a comprehensive quality management system according to quality standards such as ISO 9001:2015, IATF 16949-2016 and relevant regulations. Our scope of certification covers the entire product management process from design and development to manufacturing, sales, and service. Geely has also formulated quality management policies and documents at all levels and is subject to annual revisions



The Geely Auto "4-3-10" Strategy

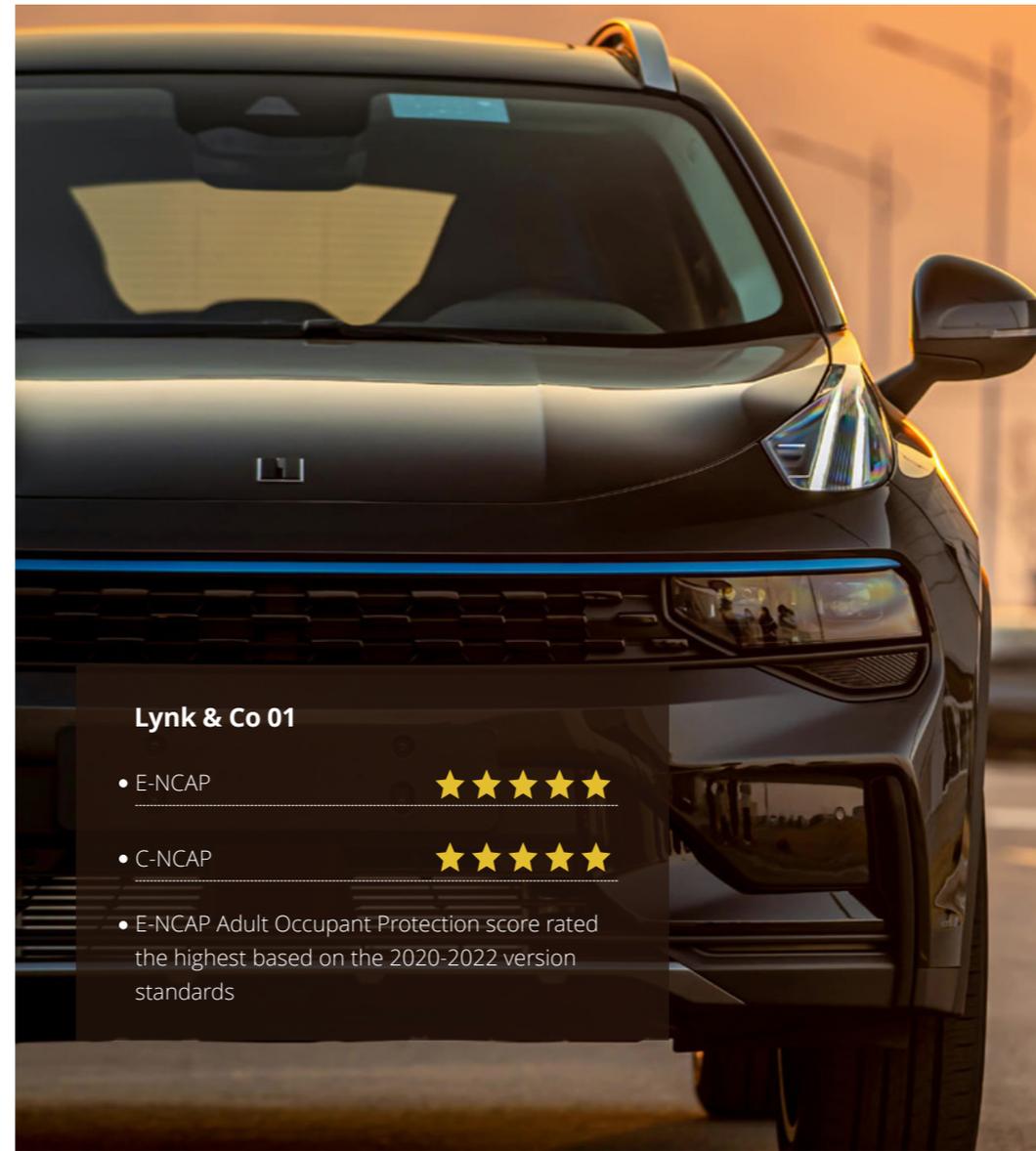


# Comprehensive safety assurance

## Creating products for ultimate safety

Geely is committed to empowering safety in our products with science and technology. With tireless efforts, we continue to upgrade our safety technology. We have established a safety performance evaluation system and a pedestrian safety performance protection system based on third-party evaluation standards, including the European New Car Evaluation Procedures (E-NCAP), the American IIHS Evaluation Standards, the China New Car Evaluation Procedures (C-NCAP), and the China Insurance Automotive Safety Index (C-IASI). The requirements of our systems are higher than the national standards so that our product safety is verified and assured with more rigour. In 2021, various brands under Geely Holding Group won five-star safety ratings from E-NCAP and C-NCAP. This attests to our industry-leading safety technologies in areas such as occupant protection, pedestrian protection, active protection, and safety assistance.

Moreover, Geely Auto has established its Nine Safety Systems. The Nine Safety Systems are designed to protect safety from all perspectives, such as the chassis structure and the safety of all parties including vehicle occupants, vulnerable road users, and maintenance and rescue personnel. A wide range of scenarios of vehicle use is accounted for to ensure safety for all.



### Lynk & Co 01

- E-NCAP ★★★★★
- C-NCAP ★★★★★
- E-NCAP Adult Occupant Protection score rated the highest based on the 2020-2022 version standards





## Active safety

When it comes to active safety, we focus on driving safety, including the safety of vehicle occupants and road users. In 2020, Geely entered the era of Technology Geely 4.0 in car manufacturing. We launched the SEA architecture that enables outstanding interconnectivity, vehicle sharing, electrified drivetrain, continuous OTA upgrades, and advanced self-driving. We also developed the Compact Modular Architecture (CMA), our first mid-sized vehicle modular architecture. Geely's CMA, together with the Toyota's [TNGA](#) and the Volkswagen's [MQB](#), have become the three main platforms in the global automotive industry. The CMA platform is embedded with the world-leading active safety system in line with the five-star standards of the Chinese C-NCAP, European E-NCAP, and American IIHS. The CMA platform can be customised according to the specific needs of our car brands and is compatible with different powertrain and drivetrain technologies ranging from fuel to electric. The platform

also supports autonomous driving technologies up to L4. Most importantly, based on the CMA platform, we can adopt the latest GEEA 2.0 electronic and electrical architecture for many smart car brands in the future, enabling the smart automotive technology to update and iterate, so that we can continue to optimise the active safety technology of products.

Geely seeks to realise a future where smart and connected vehicles are widely used. We work closely with our automotive brands to develop autonomous/intelligent driving technology. Particularly, Geely's outstanding Advanced Driving Assistance System (ADAS) has been deployed in many of our products to provide users superior driving experience embedded with industry-leading safety features.



### Two-pronged approach to deploy ADAS technology for passenger cars and commercial vehicles and ensure driving safety

With driving safety in mind, Geely has developed its superior Advanced Driver Assistance System (ADAS) technology. The combination of "radar + camera" technologies gives the ADAS enhanced capabilities to ensure safe driving, such as identifying and tracking objects, locating potential objects, and monitoring emergency cut-in and braking.

Geely Auto's ADAS also includes the Traffic Jam Assistant (TJA) system, the Lane Keeping Assistance [\(LKA\)](#) system, and the Intelligent Cruise Control [\(ICC\)](#) system. The combination of "one camera + one millimetre-wave radar" is utilised to enable features such as collision avoidance, pedestrian recognition, intelligent cruise control in line-free lanes and ensure autonomous driving safety. Geely Binray has achieved L2 vehicle autonomy with the ADAS.

Geely's Commercial Vehicle brand, Farizon Auto, also adopts the ADAS technology to instantly collect environmental data inside and outside the vehicle to identify and track static and dynamic objects, allowing the driver to spot potential hazards that they may not be aware of. Farizon Auto's ADAS solution uses a monocular camera and millimetre-wave radar to support functions such as lane departure warning (LDW), forward collision warning (FCW), and automatic emergency braking (AEB) to protect the driver's safety.

### Vision of Zero Collisions

By combining state-of-the-art hardware with software for the next generation of our collision avoidance technology, Volvo Cars expect to set a new standard in automotive safety. Its new generation of cars will come with [LiDAR \(Light Detection and Ranging\)](#) technology, an optical device measuring distance, speed and form of an object with very high resolution using reflected light. A LiDAR can see in conditions when a camera cannot. In 2021, Volvo Cars announced that LiDAR will become a standard equipment in its next generation of cars.



## Passive safety

Passive safety refers to the safety of vehicle occupants after an accident occurs. Geely Auto conducted data analysis on more than 6,400 traffic accidents and developed a range of passive safety technologies including the virtual safety analysis and [ACU](#) calibration, rollover crash protection, [VRU](#) protection, active and passive integrated drill card protection, etc. In 2011, Geely Auto established the Zhejiang Province Key Laboratory for Automotive Safety Technology Research. The Laboratory is qualified by CNAS in 2012 and received the [TÜV SÜD](#) certification and the [ECE](#) automotive standard regulatory test qualification in 2020. The Laboratory is thus qualified to conduct third-party automotive safety tests in compliance with global regulatory standards.

Geely is committed to keeping users and their families safe. To this end, we have developed safety features to protect children in cars, including ISO FIX child safety seat installation monitoring, child seat high crash protection performance, etc.

## Keeping children in car safe

In 2021, Geely and MCEF jointly developed the Geely intelligent children health and safety protection system to enable functions such as child presence detection and car seat impact protection. With collaborative efforts, we developed features such as Bluetooth communication between vehicle and car seat, car seat entry/exit detection, ISO FIX and TT belt installation detection, car seat heating, ventilation, and heat dissipation. These features comply with the standards of the C-NCAP Child Occupant Protection assessment.

We have also developed rear-seat presence reminder technology to enhance the protection of occupants in the car. This technology can detect the presence of life in a car after parking, particularly, child presence. If an occupant is detected, the reminder function will immediately alarm the police or intervene. This feature will significantly reduce the risk of children being locked in cars and the resulting child heatstroke incidents. Child occupant safety can thus be protected.



## Functional safety

Battery is one of the most important components in EVs. Geely attaches great importance to battery safety in NEVs and makes every effort to eliminate potential safety hazards caused by battery accidents during driving. To ensure the safety and reliability of the battery system, Geely Auto develops and certifies EV batteries in accordance with national standards, the [UL 2580](#), and EU [ECE R100](#) safety standards. Big data technology is used to assess battery health and issue safety warnings within milliseconds.

## Technology breakthroughs in battery pack underside impact protection for pure-electric passenger vehicles

EV battery underside impact protection technology has long been a research focus of NEV companies. While the vehicle is driving, the bottom of its battery pack may be dented or scratched due to potholes, steep slopes, or stones. The impact may cause risk of deformation or rupture of the battery pack and eventually result in thermal runaway and battery fire or explosion. For this reason, we are deeply involved in the R&D of battery pack underside safety and have achieved breakthroughs that put us ahead of the industry. Geely Auto has conducted research based on traffic accident data, particularly, accidents of battery pack underside impact. Geely Auto then built a vehicle-level battery pack base component for testing according to research results. Testing and verification are completed to ensure the safety performance of the battery pack base. In 2021, Geely Auto conducted simulation analysis and tests, and formulated evaluation standards and simulation analysis specifications

for undercarriage impact as guidance for the development of other models.

Geely Auto also took part in the drafting of the *Undercarriage Impact Protection Standards and Testing Methods for Pure Electric Passenger Vehicles* issued by the China Industry Technology Innovation Strategic Alliance for Electric Vehicles and led by the China Automotive Engineering Research Institute. The Standards was a breakthrough as testing standards were lacking in the industry. The research results serve as a reference for safety risk assessment and product design for pure-electric passenger vehicles.





## Health and safety

Geely has a range of technologies such as Basic Healthy Air, Skin-Friendly Healthy Interiors, Health Defence, and Intelligent Health monitoring. These technologies can be used to build a healthy car with various health protection functionalities. For instance, we designed the first-ever purification cabin that can intelligently isolate dust, smoke, PM2.5, and other hazardous substances in the air. We also developed the intelligent air purification system (IAPS), PM2.5 detection and protection technology, fresh air system, low-emission green materials, baby-friendly hypoallergenic eco-certified materials, and the industry's first CN95 air-conditioning filter with the highest certification level.

### Intelligent driving steering wheel technology with built-in health monitoring

One of Geely's technology breakthroughs is using the steering wheel to monitor the health of the driver. A biosensor is integrated into the steering wheel to measure bioelectrical signals of the human body, and with the help of algorithms, the driver's health condition can be monitored, for instance, heart rate, stress level, and fatigue level. The health monitoring feature will help protect driving safety.



### Protecting the health and safety of drivers during long-distance driving

Homtruck, a Geely commercial vehicle brand to be launched in 2024, will be equipped with an ergonomic seat design, high-definition camera, and independent display solution intended to help the driver get sufficient rest and spinal protection during long-distance driving and eliminate blind spots in vision.



## Protecting consumer privacy and safety

The automotive industry is moving towards “intelligence” and “network”, but this development also comes with risks such as personal information leaks and abuse. Here at Geely, user data privacy and security are of utmost importance. We implement a corporate information security system and data compliance governance, and integrate user privacy protection into the lifecycle of product development. Intelligent technology is also used to provide better privacy and security protection.

### Life cycle management of user data

Geely strictly abides by the domestic and foreign laws and regulations to regulate compliant collection and storage of user data, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. We have formulated the *Privacy Protection Compliance Management Regulations of Zhejiang Geely Holding Group* to raise the awareness of privacy protection compliance, unify the privacy protection management standards, and establish the privacy protection compliance system. Our data privacy management process is centred on prevention, in-process prevention and control, and post-event response. We cooperate with our brands/businesses to implement a series of privacy security protection measures such as access control and privacy enhancement throughout the entire user data life cycle, including the collection to storage, processing, and use of data.

## Privacy and security engineering

Geely integrated privacy protection engineering into the existing product development system. We require our brands/businesses to fully incorporate privacy protection principles into all stages of product development, including demand analysis, design, implementation, and testing and review.





## Embedding privacy protection in product development

Geely works with sub-groups to enforce high standards for data and privacy security protection to enhance consumer trust in Geely's brands. Geely Auto fully integrates privacy protection compliance requirements into all stages of product development and applies privacy protection technology to support comprehensive user data and privacy protection, from components to vehicles.



### Compliance implementation

- We enforce data compliance from the beginning stages of product development, including personal data flow analysis, privacy impact analysis, defining data sovereignty rights and filing requirements for Privacy-Related documents. Privacy security compliance policies are clearly defined.



### Data security development

- We prepare a data security checklist and conduct privacy requirements analysis and privacy design. When conducting a gap analysis on the status of product function privacy compliance, we identify differences and potential impacts, propose risk management measures, and formulate compliance plans and overall implementation roadmaps.



### Feature and software development

- During feature and software development, we integrate basic security and data security technologies such as cryptography, access control, privacy encryption, data encryption, and data desensitisation to fully protect users' information.



### Spare parts authentication and complete vehicle privacy

- Authentication involves verification of information security, inspection of functional privacy compliance records, inspection of language used in the conversion from privacy requirements into design, and preparation of privacy verification reports. The process verifies the integration of privacy protection at all stages, from spare components to vehicles.

## Privacy computing technology

In 2021, Geely officially established a privacy computing team, invested in R&D for privacy computing technology and products, and realised data analysis and computing while protecting data from leakage. Using privacy computing technology, the user's driving data security can be fully safeguarded.

Geely also applies privacy computing technology to carbon emission reduction and launched the proof of concept (POC) programme for privacy computing carbon inclusion emission reduction. The simulation is based on the scenario that Geely's user vehicle driving data has been protected with homomorphic encryption, and the Shanghai Environmental and Energy Exchange performs ciphertext operations to achieve carbon emission reduction calculations. Going forward, we will further focus on intelligent data processing. Based on the results of the POC programme launched in 2021, we will apply privacy computing technology to more business scenarios for better user data protection.



## Protect safety all along the journey

Protecting occupant traffic safety is also a priority for Geely in the field of public transportation.

The Group's Cao Cao Mobility is the first car-hailing platform in China featuring NEV sharing mobility services. With its ideal of "focusing on occupant safety", Cao Cao's guiding principles are safety and sustainability. This is reflected in its safety production management policy of Safety First, Prevention Prevails, and Comprehensive Governance. In accordance with the requirements of road traffic safety, safety production management, and public safety, Cao Cao Mobility has put in place a comprehensive standardised safety management system with adequate rules and regulations. Steps have also been taken to improve management and products, and provide road users with safe and secure mobility services.

Cao Cao Mobility platform has measures in place at all stages to protect passengers' traffic safety, covering pre-trip prevention, in-trip protection, and post-trip management. These measures include in-app facial recognition for driver and vehicle authentication, fatigue driving prevention system, emergency contact, and itinerary sharing. Cao Cao Mobility also collects data on accidents and collisions to analyse the causes of accidents from different dimensions such as time, driver psychology, and weather conditions. Cao Cao formulates a code of conduct to reduce accidents based on regular analysis; the company also promotes the iteration of safety products to realise data-driven safety governance and make security risks visible, checkable, and manageable. In 2021, the Cao Cao Mobility platform realised safe and stable operation at all levels; all indicators were at a lower level than the targets indicators set at the beginning of the year, including the accident involvement rate per 100 million kilometres, the incidence of sensitive conflicts in cars per one million of orders, and the incidence of physical conflicts in cars per one million of orders.



Another major public mobility brand of Geely, LEVC, has joined forces with Geely Auto under the coordination of the Group to leverage their combined R&D capabilities and launched LEVC TX, a barrier-free version of the British design and engineering model. Centred on ergonomic, personalised, and accessibility-friendly design, LEVC TX enables convenient boarding and alighting for all passengers and makes travel easy for all, anytime, anywhere. This model considers both care for people and occupant safety, focuses on service and customised-scenario mobility. Its large and spacious interior is accessible for wheelchairs to meet the needs of passengers with reduced mobility (PRM). Its partitioned double cabin design can fully ensure occupant safety. Its hinged double doors make it easier for passengers to get into and off the car.

Moreover, the new LEVC TX model can meet the world's most strict vehicle safety requirements as it is equipped with body electronic stability control (ESC), a rear child seat fixing device, and an intelligent tire pressure monitoring system. This model also offers the option to add a series of active and passive safety systems to further enhance safety, such as front collision warning (FCW), automatic emergency braking (AEB), emergency brake assist (EBA), and a large-size airbag.



# Meeting the diverse needs of users

## Accessible auto finance

As a new car purchase option, auto finance is an integral part of the auto industry chain and can directly stimulate the sales of auto brands. Geely has been part of the auto finance sector since 2015. With our brand strength and influence, we provide dealers and customers with flexible and innovative auto finance products and high-quality customer services, including wholesale financing, retail financing, auto financial leasing, and auto system supply chain finance. We can thus lower the threshold for customers to purchase cars, reduce the initial payment burden, offer pledge-free loans, and make our auto finance more accessible to all.

As at the end of 2021, **Genius & Guru** has

had businesses in **312** cities in China served nearly **2.06 million** automobile consumers

### Customising auto finance products to meet the diverse needs of users

Genius & Guru provides users with inclusive financing and customised lease products, targeting online car-hailing and taxi drivers, light truck drivers, dealers, and ordinary car purchasers. For online car-hailing drivers, we provide low-down payment and long-term financing products, and perform differentiated approval according to their work characteristics, which improves efficiency. For financial lease products customised for Geometry, we provide an ultra-long warranty for the three electric systems (electric drivetrain system, battery system, and electronic control system) to make it easier for users to use the car. We provide loan products and services for light truck drivers to help advance National V and National VI fuel type switching policies. We also provide online mini applets to help users understand financial products, choose financial plans, and apply for financial loans anytime, anywhere.

## Improving of user experience

### Dealer management

Geely continues to actively deploy dealer networks in markets at all levels across the country, and improves dealer management from four aspects: operation system regulation, battle zone execution, back-office supervision, and notification and rectification. To better protect customer rights and interests, regulate dealer management, and strengthen dealer integrity awareness, Geely has formulated administration regulations including the *Operation and Administration Regulations for Dealers*, the *Administration Regulations for Dealer Integrity Credits*, and the *Administration Regulations for Dealer Operation Performance Inspection*. These regulations are based on current business conditions and updated regularly. Furthermore, Geely Auto has established a dealer integrity system to ensure dealer integrity. A rating is given to evaluate dealers' integrity from various perspectives: vendor integrity, and integrity towards customers, employees, etc. Differentiated business support is given to dealers with excellent integrity ratings. The evaluation results are also applied to the annual evaluation of dealers.

### Dealer empowerment

Geely is committed to providing customers services of the highest standard and ensuring that every dealer meets the requirements of high-quality customer service. Our passenger car brands build the dealer talent management system based on the four aspects of "selection, education, promotion, and retention". New dealers are required to receive pre-employment capability assessments. Qualified dealers are subject to online training certifications and exams, and those qualified in the exams are granted position certificates. We also regularly organise on-site product knowledge training or experience-sharing sessions for certified dealers to improve their business skills such as service guidance and inspection, professional consultation, sales, and after-sales services. They are also trained to communicate the concept of responsible consumption to consumers, so that consumers can make rational purchase decisions.



## Customised mobility services

As economy evolves, diversified mobility scenarios are increasingly valued by society. Even the same user has completely divergent needs in different scenarios. Geely has always held true to its people's first commitment. We place user experience at the centre of business and strive to create unique and customised products and services for our customers.

### Life cycle services of new energy logistics vehicles

Green Intelligent Link provides customisable vehicles with three major product groups: Intelligent Link Car Rental, Intelligent Link Car Service, and Intelligent Link Smart Control. Focusing on purchase, use and disposal, Green Intelligent Link provides merchants, major customers, and end users with a one-stop solution for new energy logistics vehicles. Green Intelligent Link encourages customers to flexibly match and customise procurement based on their own needs and provides customers with operation and management services for new-energy logistics vehicles over the entire lifecycle.

Green Intelligent Link's Intelligent Link Car Rental provides customers with three leasing service options: Worry-Free Rental, Trial Rental, and Standby Rental. Among these options, Trial Rental is another masterpiece of industry-leading innovation. In the traditional dealer system, the trial vehicles of dealers usually have such problems as low utilisation rate and incomplete model range. Trial Rental service allows for the sharing of vehicles. With a diverse model matrix and regional operation centres located all over the country, Trial Rental is able to provide more timely and convenient trial services for customers who have trial needs.



### Personalised and high-quality premium mobility

LEVC Limao Mobility has created six high-quality mobility scenarios: Six-member Family Mobility, Ladies Mobility with Peace of Mind, Mobile Meeting Mobility, Easy Mobility for Large Baggage, Barrier-Free Mobility, and Romantic Wedding Mobility. With these scenarios, LEVC aims to create a heart-warm mobility service experience and more mobility options for users.

In terms of products, Limao Mobility uniformly adopts the London TX5. Using pure electric and extended-range new energy, a TX5 car can meet the requirements of making travel safer, more comfortable, higher quality,

and low-carbon. The London TX5 has 4 square metres of interior space and a height of 1.5 metres, making it convenient for passengers to get in and off of the vehicle. Its double doors are easy for loading and unloading larger baggage, creating a high-quality mobility experience for passengers. Its unique sloped pedal design makes travelling with baby strollers, wheelchairs, and large luggage easy. The highly durable transparent partition between the driving cockpit and occupant area can ensure safe driver-passenger separation and effectively prevent the spread of disease. Its intelligent one-button intercom system can guarantee passenger

privacy but also ensures smooth communication with the driver.

In terms of service, with professional, customised, and user-friendly mobility vehicles, Limao Mobility has launched butler service standards and created the Limao Mobility butler team that delivers high standards. The golden combination of professional mobility vehicles and butler-style premium service is a demonstration Limao Mobility's deep understanding of the mobility needs of users and its dedication to service.



## User communication and satisfaction

### User ecosystem construction

Since 2021, we have been building the private domain platform for Geely brand users – the Geely Auto APP. We create the G-Credits system that allows users to exchange their accumulated G-Credits for exclusive gifts or take advantage of other benefits on the Geely Mall. The platform helps encourage user participation and satisfaction. Geely has also established the Consumer Growth Department responsible for the building of our corporate WeChat platform. Customers can use the Geely corporate WeChat platform to receive real-time product consultations, make reservations for service, and handle business dealings. The platform also permits users to give ratings and comments, enabling direct communication between brands and customers.

### User events

To better convey Geely's brand value and listen to user feedback, we actively organise user events. We have established platforms such as Geely Club and Co: Club to facilitate positive communication and interaction with users. In 2021, we hosted a user-centred co-creation event, where we co-created the Geely brand user IP G-Family with users; undertook China's Smart Manufacturing Star Trends event; held activities such as G Family Day, G-Family Special Intra-City Event to help users learn more about Geely's leading intelligent manufacturing capabilities while bringing fun and joy to users.

### After-sales services and satisfaction

Geely places users at the heart of business. We established a comprehensive customer service process and after-sales management process system and continuously optimises the customer service quality. In 2021, Geely Auto continued its efforts of the 1-2-3 High-Quality Service engineering ("one centre, two regulations, three enhancements"). With this plan in mind, Geely manages after-sales services with standards and regulations, including outlet management, on-site management, service process regulations and after-sales maintenance. Geely Auto also has a comprehensive skill certification system and a training and improvement system for each service outlet. Overseas customer service employees have also obtained  GKPC and  GMTC certifications.

We have implemented a complete customer complaint handling mechanism, feedback mechanism, and rapid response mechanism. Customer service is available 24/7

to provide consultations and handle complaints for users. Our standard for handling complaints is 2-Hour Response and 3-Day Case Closure. The staff are required to respond to a user's complaint on the system within 2 hours of receipt; they need to handle the complaint and obtain the customer's satisfaction evaluation within 72 hours. The staff also need to analyse the reasons for the occurrence of the problem and develop corrective and preventive measures to avoid recurring issues. In 2021, Geely Auto implemented the customer direct-evaluation system and conducted sales satisfaction surveys via our corporate WeChat account and SMS. We continued to hold the Voice of Customers conferences to understand and analyse customer expectations and demands, develop corrective measures for performance areas deemed unsatisfactory by customers, and conduct on-site re-checks to make sure the issues are resolved.



Lotus Driving Academy created a funny and comprehensive driving training experience for users



G-Family Special Intra-City Event



2021 Co Fans Party



China's Smart Manufacturing Star Trends Event



# TOGETHER, WE CREATE A PROSPEROUS FUTURE FOR ALL

Geely actively undertakes the responsibility of corporate citizenship, and strives towards the goal of realising common prosperity for people, industry, and society. We respect and empower our employees to realise themselves to jointly create the development and share the achievements of Geely. We also gather elements of innovation across the industry chain to drive the coordinated and sustainability of our partners. We undertake social responsibilities, solve real problems, and promote coordinated and balanced regional economic development. Caring for our society, we join hands with our partners to build a prosperous future together.

## Sustainable development performance

We were included in the ranking of **the 25 Best Workplaces for**

**Career Development** by LinkedIn China

We trained our employees (within China) for more than **3.55 million** hours in total

We had **2,155** suppliers (within China) passing the IATF 16949 system certification

We invested over CNY **40 million** to support flood-affected Shanxi and Henan



Contribution to SDGs



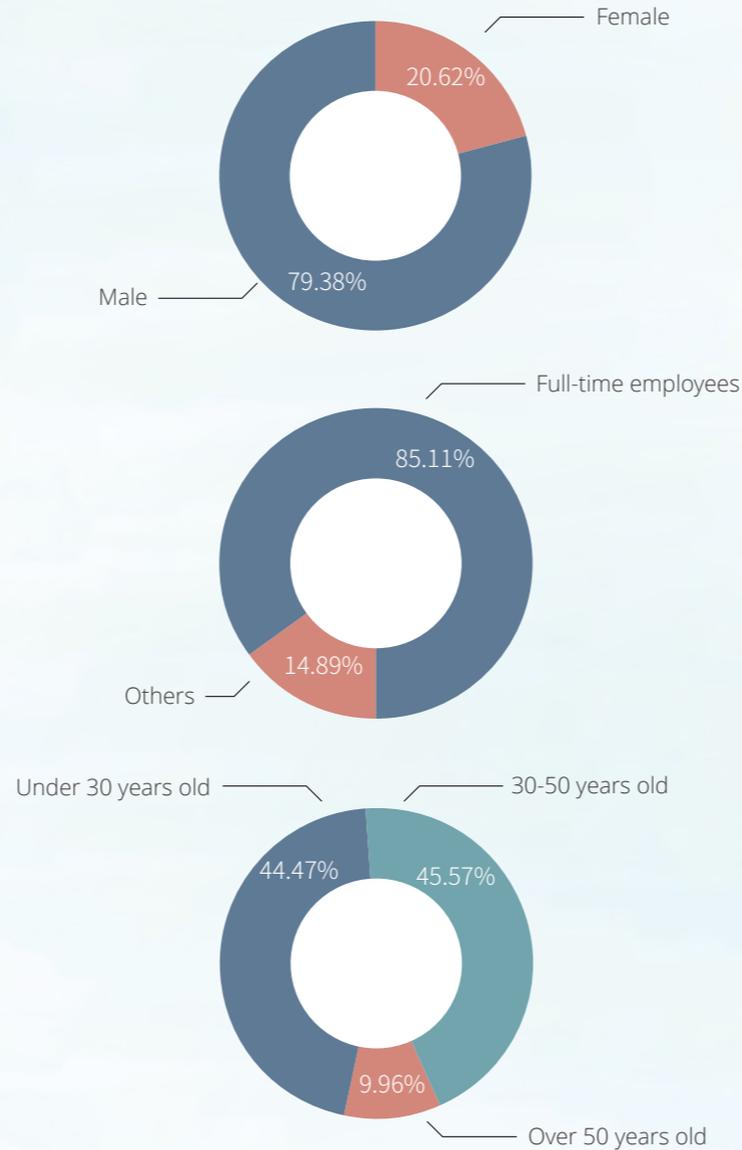
# Respect, fulfilment, happiness

Geely has always upheld the principle of “Respect, Fulfilment, and Happiness” when it comes to our employees. We have in place a series of measures including an Income Growth Plan for All Employees, a Health Insurance Plan for All Employee Families, and a Career Improvement Plan for All Employees. These measures encourage the integration of the growth of the employees and the sustainability of the enterprise, inspiring employees to work with enthusiasm, live in security and dignity, and fulfil their dreams.

## Respect

### Equality and Diversity

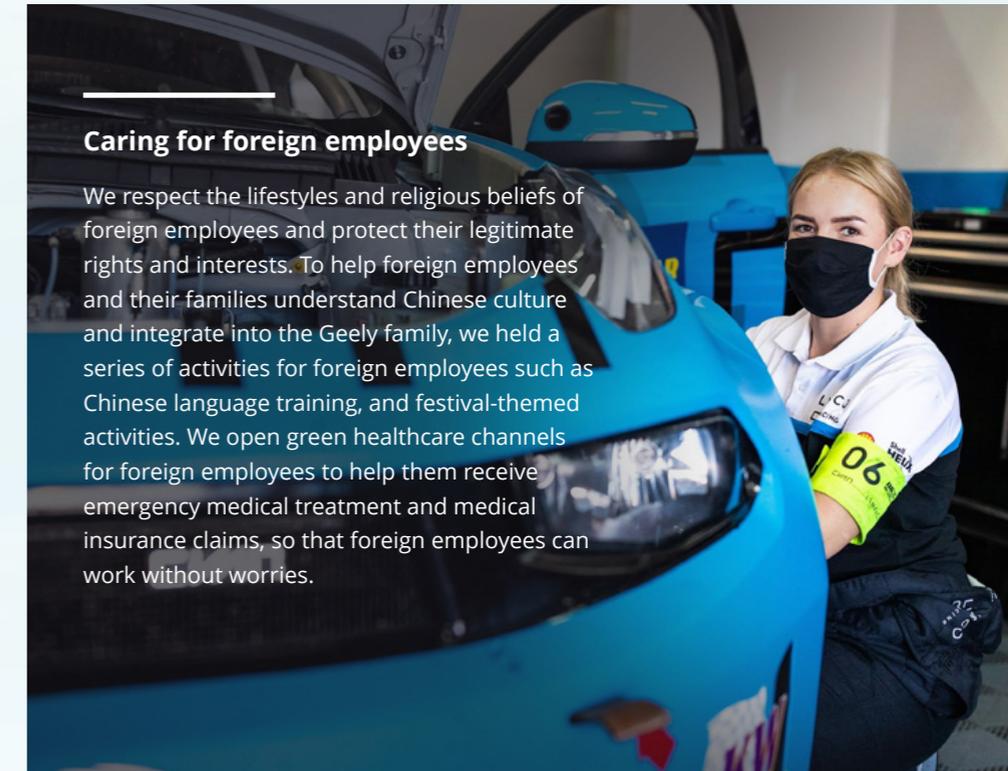
Geely complies with relevant labour laws and regulations of the countries where we operate, and signs labour contracts with employees based on equality, voluntariness, and consensus. The rights and obligations of both parties are clearly stipulated in the contracts. We prohibit forced and compulsory labour, resolutely put an end to child labour, workplace harassment and other illegal acts, and prohibit any form of punishment. We oppose all discriminatory practices on the basis of race, ethnicity, geography or social origin, nationality, blood lineage, religion, gender, age, gender orientation, or marital status, and are committed to creating a diverse, equal and inclusive working environment. In 2021, led by the trade union of Geely Holding Group, the corporate’s representatives and employee representatives unanimously passed the *Special Agreement on the Protection of Rights and Interests of Female Employees*.



Note: The statistical scope covers all entities covered by this Report.

### Within China

Percentage of mainland permanent employees in the labour union	100%
Permanent minorities employees	2,351
Fresh graduate permanent employees	4,858



### Caring for foreign employees

We respect the lifestyles and religious beliefs of foreign employees and protect their legitimate rights and interests. To help foreign employees and their families understand Chinese culture and integrate into the Geely family, we held a series of activities for foreign employees such as Chinese language training, and festival-themed activities. We open green healthcare channels for foreign employees to help them receive emergency medical treatment and medical insurance claims, so that foreign employees can work without worries.



## Compensation and incentives

### Income Growth Plan for All Employees

This plan aims to establish the profit-sharing mechanism between Geely and our employees and encourage employees to perform better and create value, promoting Geely's long-term, sustainable, and healthy development.

To attract and retain talents, Geely has formulated a fair, reasonable, and competitive compensation scheme according to the standards and conditions of the industry. In terms of employee incentives, in accordance with the *Employee Performance Management Regulations*, we implement a clearly defined and transparent performance appraisal and incentive system and provide differentiated incentive schemes based on the abilities and needs of employees at all positions and levels, intended to inspire employees to develop their potential at work.

In 2021, we promoted the income growth plan for all employees by establishing the business partner mechanism according to different companies and different business categories. We explored various forms of incentive combinations such as equity, options, income rights, and bonuses. Employees receive equity incentives or income distribution based on performance to achieve a balance between employee income and corporate profits.

### Geely Auto and ZEEKR implemented a share incentive plan

To empower employees and boost organisation vitality, on 20 August 2021, ZEEKR released the share incentive plan to distribute a total of 56 million ZEEKR shares to more than 3,000 employees from existing shares and future issuance of ZEEKR shares. On 30 August 2021, the board of directors of Geely Auto approved a total of 350 million shares, of which the first 167 million shares were granted to more than 10,000 employees. Based on the closing price of Geely Automobile (HK.0175) on that day, the market value of the first batch of shares was approximately HKD 4.5 billion. In the future, Geely will continue to implement the share incentive plan, so that more employees can share the results of the company's success.

## Unhindered communication channels

Geely has set up clear and transparent channels for employee communication, feedback, and suggestion. We also organise various communication activities such as Response to Community, Democratic Life Meeting, and Face to Face Meetings with Senior Executives, so that employee voices can be heard and understood.

Since 2014, Geely has cooperated with a third-party consulting agency to conduct an employee effectiveness survey each year. In 2021, we conducted the annual employee effectiveness survey using online questionnaires supplemented by executive leadership interviews and focus group interviews. The survey and interviews covered more than 20 dimensions including engagement, awards, vitality, corporate culture, competitiveness, and communication, with a total of nearly 70,000 employee participants. The annual employee effectiveness survey can effectively help us listen to and understand the employees, thereby empowering management upgrades and ultimately improving organisational effectiveness.



## Fulfilment

### Career Improvement Plan for All Employees

This plan aims to establish an education and training system covering the entire career cycle of employees. It covers all employees internally and industry chain partners externally to create a learning community. At present, Geely has established an all-round talent training system covering management talents, professional talents, skilled talents, strategic reserve talents and business partners, and formed a systematic and comprehensive learning ecosystem by providing precise, customised, and scenario-based talent training programmes for all employees.

Geely Holding Group focuses on innovation and talent training. By introducing external high-quality talents, we form a large camphor tree of talents and nurture them with sunshine and rain, so that they take root in Geely. Talents cultivated internally are like small saplings. We create an environment where large camphor trees help small saplings to grow. Eventually, the large camphor trees and the small saplings grow together into a Geely Forest of Talents, with strong vitality and ecological adjustment functions.

We facilitate employee development in three areas: management, professionalism, and skills. We organise the evaluation of professional qualifications, the star rating of skilled employees, and the appointment and work review of leaders to secure career development channels. To meet the needs of Geely's strategic development and operation management and cultivate a group of can-do talents who fully understand the business, we also implement the Vitality Plan, establish a job rotation mechanism for the forest of talents with equal competition, and provide outstanding talents with a career development platform for promotions.

In 2021, we formulated the training and development plan for the entire career cycle of employees. To further improve upon the previous talent training system, we extended talent training to include the entire career cycle and developed the training system for all employees. Linking scenarios such as performance, promotion, and incentives, we make training a key initiative to facilitate business and employee development. Furthermore, we expanded investment in education, and built an innovative talent education system that meets industry needs. Taking advantage of Geely's global higher education resources, we integrate the recruitment and education of talents. We explored the industry-education integration from specialised secondary school and higher vocational school degrees to bachelor's, master's, and doctorate degrees. We also actively cooperate with government agencies and industry associations to formulate professional qualifications and build a further education system for highly-skilled talents that integrates "educational enhancement, vocational skills, and professional certificates" based on master studios and highly-skilled talents.



### The Swan Geese project-cultivating potential talents

Swan Geese are a team of graduates who are about to join Geely. They demonstrate the qualities of "lofty aspirations, firm goals, cooperation, and supporting colleagues" and identify with Geely's corporate culture. The whole series of Swan Geese training highlights Geely Holding Group's emphasis on endogenous talents and has important strategic significance for supporting the rapid development of Geely's business. In 2021, the Swan Geese induction training project had a Be Young and Be Useful theme, and the step-by-step training process covers immersive learning, cross-functional experiences, and specialised jobs. This helps us identify and cultivate the next generation of energetic, high-potential, open, interconnected, and innovative Geely employees. In 2021, a total of 853 people participated in the Swan Geese training programme with a training hour per capita of 192 hours.

### Creation camp-cultivating innovative leaders

In 2021, Geely Holding Group's Geely Training Centre launched the Creation Camp-Innovation Leader Training Project to promote innovation and development within the enterprise through in-depth and free innovation seminars. In 2021, the Creation Camp delivered 4 training sessions in total, with a training hour per capita of 60 hours, covering the core middle and senior management of Geely in marketing, product R&D, and digitalisation, and trained 188 leaders and 90 talents in innovation.



# Talent Training Product System

Inherit corporate culture

Boost management change

Drive talent development

Build a think tank engine

Internal empowerment

Post Rank	Management leaders			Professional talents		Skilled talents		Product chain empowerment
	New entry/promotion	On-the-job period	High-potential period	New entry/promotion	On-the-job period	New entry/promotion	On-the-job period	
10	Dream pursuit plan	Turn around with glamour	Pilot	Voyage club	Dream pursuit plan	X1-Senior Team	Dream pursuit plan	End side: Supplier empowerment
9			Voyage					
8		Turn around with gorgeousness	Sail-setting	V Voyage		X2-Backbone Team		
7			Turn around now	V Sail-setting				Dolphin jumping
6		Task force				Wild goose training camp		
5			Reservoir plan	Star rank climbing plan (star evaluation)				Middle side: Industrial study tour
4		Middle side: Dealer empowerment						
3			Middle side: Store empowerment					
2		Professional lecture						
1			Geely Lecture Hall					
Insights • Insights of trends Insights of essence		Seeing • Seeing directions Seeing methods		Meeting • Meeting the benchmark Meeting yourself		Professional lecture		
Course Centre		Case Centre		Lecturer/Expert Centre		Geely learning		
Team building		Experiential empowerment		Outdoor experience camp		Management consulting		



## Happiness

Geely has designated June 26 as Employee Appreciation Day. We care about every employee and their family members, and we have created the life cycle care system from entry to retirement of employees to help employees enjoy their work and live a happy life in Geely.

### Occupational safety and health

Geely complies with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the relevant laws and regulations of the places where we operate. We also implement the international and advanced HSE (Health, Safety and Environment) management system standards. With the support of 5G and IoT technologies, we created a unique, intelligent safety and environmental protection platform to achieve the [Five Concerns In One](#) work safety goal. To improve the capabilities of "before-event" prevention and control, and "after-event" emergency response, we conducted a series

of activities to enhance employee health and safety awareness and competence, such as fire control campaign month, emergency drills, and pre-job training.

We also organise employee health check-ups each year. Our Geely Health Platform provides all-round health management services before, during and after check-up, and encompasses check-up appointments, online consultation, and health promotion. The platform also plays a key role in pandemic notification management and health education knowledge dissemination.

## Employee care and well-being

### Health Insurance Plan for All Employee Families

This plan aims to provide health insurance for all employees and their immediate family members, to help relieve economic stress caused by accidents or serious illnesses. Economic stress relief will help boost the sense of security and happiness of employees and improve the well-being of their entire family.

Our employees are legally entitled to paid leaves including annual leave, sick leave, maternity leave, paternity leave, marriage leave, and bereavement leave. In addition, we provide employees annual and quarterly bonus, holiday bonus, birthday bonus, and subsidies for housing, transportation, meals, and communication. In 2021, in keeping with relevant local policies, Geely added parental leave and only-child care leave to help the physical and mental recovery of child-rearing employees.

Since 2017, we have implemented a comprehensive commercial insurance plan for employees and their families from all over the country, to help relieve

economic stress caused by accidents or serious illnesses. Economic stress relief will help boost the sense of security and happiness of employees and their family. The commercial insurance covers accidents, death due to illness, major illnesses, hospitalisation allowance, and supplementary medical insurance, and other medical needs. In compliance with the national three-child policy, we added the supplementary maternity insurance. In addition to maternity leave wages stipulated by national regulations, female employees can be reimbursed for prenatal care costs and costs of childbirth through maternity insurance.



### Geely Thanksgiving Fund

Geely Thanksgiving Fund was officially launched on 5 November 2021. The Fund's asset will continue to expand as the enterprise grows. The Fund supports transfer payments and aims to improve the working and living conditions of employees.

Since 2004, Geely has been building the G-House project. The Group builds housing projects either by itself or in cooperation with others. The project allows employees to purchase homes at discount prices so that they can live in peace and work happily. We also provide car purchase discounts to employees and their relatives and friends, and employees are given additional discounts based on market-guided prices. When employee relatives and friends purchase cars, their cars are entitled to free maintenance services based on the brand maintenance cycle. We are currently preparing to build a Geely kindergarten to help solve the issue of pickup and drop-off of children for working parents. We would like to help the Geely's Second Generation grow up in a healthy and happy environment.

To celebrate Geely's 35<sup>th</sup> anniversary, we organised a series of events such as a relay run, garden tour, and group wedding.



Geely Holding Group's 35<sup>th</sup> Anniversary Relay Run



Geely Group Wedding



The Loyalty Award



# Win-win development with the industry chain

## Building sustainable supply chains

### Supplier management

In accordance with the *Law of the People's Republic of China on Tenders and Bids*, the *Regulations on the Implementation of the Law of the People's Republic of China on Tenders and Bids*, and the relevant legislative provisions of the place where we operate, Geely has formulated the *Detailed Rules for the Management of Tenders of Zhejiang Geely Holding Group* and the *Guidelines for Tenders of Zhejiang Geely Holding Group*. We also require all our brands and businesses to establish an open, fair, and impartial supplier access and tender management mechanism, which specifies the scope of responsibilities of relevant departments in supplier access, evaluation, and elimination management.

We review all stages including supplier access, project development, and project mass production. Newly admitted suppliers are subject to comprehensive review including business qualification, sales volume, customer status, and quality system certification. After the review, suppliers are sorted and managed based on the review results of their comprehensive capability ratings. Furthermore, as the pandemic becomes the new normal, to ensure the consistent delivery quality of the supply chain, we regularly review the pandemic and risk status of affected areas, assess the supply risk of suppliers, and take control measures accordingly. We also remotely monitor the production process and supply chain status of suppliers to ensure that the supplier risks are under control.

### Responsible procurement

Building a resilient and sustainable supply chain helps Geely enhance our global competitiveness. To this end, Geely has formulated the *Supplier Code of Conduct of Geely Holding Group* as an integral part of our agreements with suppliers and partners. The Code sets forth Geely's requirements for all its suppliers including working conditions, human rights, health and safety, business ethics, and environmental protection.

In terms of environmental protection, we require our suppliers to comply with all applicable environmental laws and regulations, obtain all necessary environmental permits and related certifications, and update them in a timely manner. All suppliers must be IATF 16949 certified, and component suppliers with an impact on the environment must also obtain the ISO 14000 certification. In terms of occupational health and safety, Geely requires suppliers to establish adequate HSE systems and obtain third-party occupational health and safety certifications such as the ISO 45001. We also require that relevant products in the safety industry be certified with national security licenses, and products regulated by the state must be certified by national supervisory agencies.

### Odour testing of components to ensure product health

Geely Auto conducts supplier laboratory reviews, suppliers' laboratory capability ratings, and certification for specific experimental items such as environmental tests and special odour tests. These measures are put in place to ensure that suppliers meet the requirements for environmental protection and consumer health and safety. In 2021, Geely Auto performed special odour  VOC control for vehicle components and conducted odour evaluation and special issue improvement on vehicle models. We advised suppliers on establishing odour laboratories and conducted training for relevant certified odour testers, to ensure that components are in compliance with odour requirements.



We actively promote cooperation between our brands. For instance, Geely Auto and Volvo Cars work together to plan joint development and procurement. Drawing on the extensive experience of Volvo Cars, Geely Auto continues

to improve sustainable supply chain management, such as refining the sustainability indicators for the selection criteria of suppliers and partners, and apply them to future cooperation and procurement.

### Building a conflict-free supply chain

Volvo Cars is committed to increasing transparency in the supply chain of key raw materials and enhancing material traceability. Risk management-based measures are also taken to ensure responsible procurement. As a member of the [RMI](#), Volvo Cars is committed to purchasing components containing tin, tantalum, tungsten and gold (“3TG” or “conflict minerals”) from only verified conflict-free smelters. Volvo Cars requires suppliers of these minerals to declare their due diligence measures and disclose the smelters they use in their supply chain every year.

In 2019, Volvo Cars became the first carmaker to use blockchain technology in its cobalt supply chain and established the chain of custody (COC) for all high-risk raw materials used in battery production. In 2021, Volvo Cars applied blockchain technology to trace the supply chain of mica insulation sheets and extended use of the technology to the COC for nickel and lithium used in battery cathodes.

### Supplier training

Geely attaches great importance to supplier capability improvement and coordinated development. We maintain close contact with supplier partners through daily communication and supplier conferences, and focus on the optimisation and improvement of the supply chain. We actively implement improvement projects and offer suppliers professional quality enhancement training. Geely continues to advance the supplier capability enhancement project to support suppliers with obvious cost advantages, weak quality competitiveness, good foundation, and strong willingness. Geely also implements point-to-point improvement by

dispatching specialists on-site to systematically build up supplier capacity.

In 2021, Geely Auto focused on helping suppliers improve their management and sustainability and adding more items to the supplier capacity improvement project, including the *Operation and Target Management*, the *System Quality Management* and the *Environmental, Occupational Health and Safety*. We also conducted training for suppliers and support their governance based on their current condition.

## Promoting industry progress

Geely actively participates in industry collaboration by joining industry conferences and organisations, interacting with industry participants, and learning from peers. Geely is currently the Vice President of the China Association for Consumer Products Quality and Safety Promotion (CACPQSP), and a member of the China Association for Quality. We joined efforts with domestic auto companies, scientific research institutes, and industry organisations to establish the China Automobile Quality Technology Alliance, and serves as the Vice President of the Alliance. On April 8, 2021, Geely Auto joined the IATF and became the first Asian voting board member to participate in the formulation

of international quality standards with nine other global automotive groups and automobile associations in Europe and the United States with the aim to promote the sustainability for the global automotive industry. Volvo Cars is also a member of [DRIVE Sustainability](#), a cross-industry initiative committed to improving responsible sourcing practices, as well as the Responsible Mineral Initiative and Responsible Business Alliance. They also work with leading organisations such as CDP (formerly Climate Disclosure Project) and the Ellen MacArthur Foundation to drive climate action within the company, as well as the wider industry and other sectors.

### (Some of) Industry associations and alliances Geely Holding Group has joined are as follows:

Name of entity	Name of association	Role
Geely Holding Group	China Association of Automobile Manufacturers (CAAM)	Vice President
Geely Holding Group	China Machinery Enterprise Management Association (CMMA)	Vice President
Geely Holding Group	National Big Data Alliance of New Energy Vehicles	Vice President
Geely Holding Group	CCOIC's Sustainable Development Committee	Member
Geely Auto	International Automotive Task Force (IATF)	Member
Geely Auto	China Association for Quality (CAQ)	Director
Geely Auto	China Association for Quality Inspection (CAQI)	Director
Geely Auto	China Association for Consumer Products Quality and Safety Promotion (CACPQSP)	Vice President
Geely Commercial Vehicles	Methanol Automobile Professional Committee under Standard Working Committee of China Association of Automobile Manufacturers (CAAM)	Vice Chairman
Geely Commercial Vehicles	National Technical Committee of Auto Standardization (NTCAS) Skills Branch	Member
Geely Commercial Vehicles	National Technical Committee of Auto Standardization (NTCAS) Instrumentation Technical Committee	Member



Due to our advanced scientific research, Geely was invited to lead and participate in the discussion and formulation of various national and industry standards. In 2021, we took part in the drafting and formulation of national methanol battery swapping policies and regulations, such as the “Technical Conditions for Methanol Fuel Engines” industry standards, and the “Safety Requirements for Swapping of Electric Vehicles” national standards. We contributed our expertise to help formulate technical standards that were lacking in the industry. To build a complete end-to-end low-carbon system from the production to the end user

of automotive products, and encourage more users to choose NEVs for mobility, we participated in the drafting and formulation of the *Accounting Method for Carbon Emission Reduction of Electric Vehicles During Mobility* (T/CSAE 235-2021) led by the Chinese Society of Automotive Engineers. The standard was released on 11 November 2021. We also cooperated with the Shanghai Environment and Energy Exchange to develop the carbon-inclusive methodology for NEV public emission reduction mechanism.

**As at the end of 2021, Geely led and participated in the formulation of the following standards:**



## Join forces with partners for industrial development

Geely is aware of our social responsibilities. With our advantages in influence and reputation, we take it upon ourselves to lead the industrial chain and promote the development of a healthy ecosystem for large, medium, and small-sized enterprises.

### Facilitate the construction of a CNY 1 trillion-level automotive industry cluster in Ningbo to drive industry chain development

On 25 June 2021, Geely signed a strategic cooperation agreement with People’s Municipal Government of Ningbo. Both parties will form a strategic partnership and set the benchmark for China’s auto industry. We will join efforts in promoting the application of technological innovation, accelerating the full-chain development of manufacturing services, and improving the sustainability of transportation and mobility. Geely also announced that the global headquarters of Zhejiang ZEEKR Intelligent Technology Co., Ltd. will be located in Ningbo.

Geely will coordinate with People’s Municipal Government of Ningbo to promote the construction of Ningbo China-CEEC Economic and Trade Cooperation Demonstration Zone and China (Zhejiang) Free Trade Pilot Zone Ningbo Area. We will also participate in the formulation of key strategies such as the “Belt and Road” comprehensive pilot zone and domestic and international dual-circulation hub cities, and build a highly-recognisable national automobile benchmark brand in China to drive the cooperation of core enterprises in the industry chain of smart vehicles and NEVs. These efforts will promote significant improvement in innovation and R&D capabilities, and create a trillion-dollar-level automotive industry cluster.

### Driving industry development with automotive-grade chips

In October 2021, Geely Auto published its “Smart Geely 2025” strategy. We plan to invest CNY 150 billion in R&D funds in the next five years to accelerate the deployment of technologies and products in the fields of intelligence and new energy. We also plan to achieve mass production of 7-nanometre and 5-nanometre automotive-grade chips. Our independently developed “smart cockpit chip SE1000”

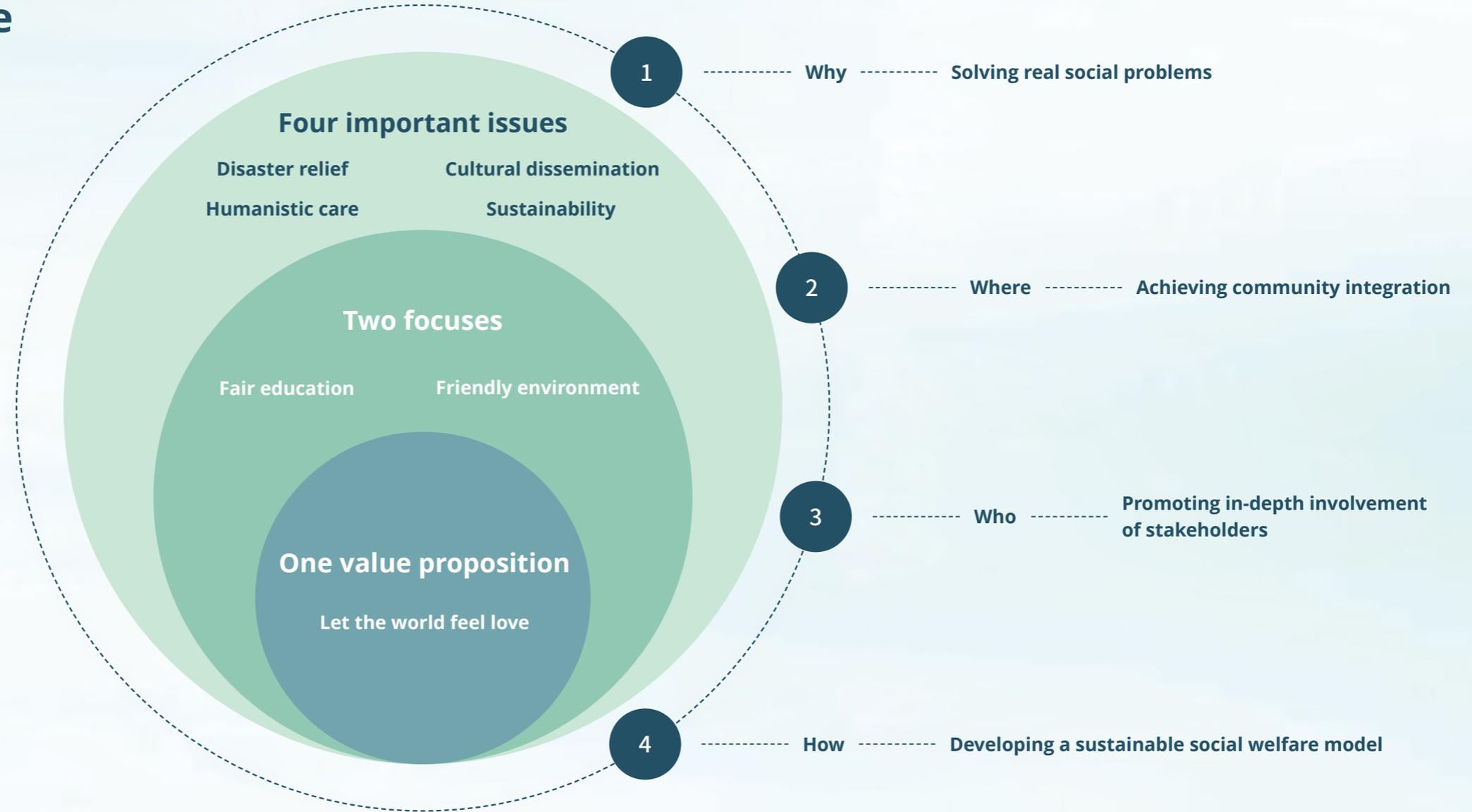
is China’s first automotive-grade 7nm system-on-chip (SOC) and set to fill the gap in independent design of chips for high-end smart cockpit platforms in China. We aim to solve the chip shortage issue in the automotive manufacturing and address the global chip supply shortage, and contribute to the transformation of China’s automotive industry chain.





# Let the world feel love

As a socially responsible company, Geely Holding Group advocates “Let the world feel love” as our mission for public welfare, with a focus on the areas of education and environmental protection. We champion four public welfare issues: disaster relief, cultural dissemination, and humanistic care. Our four public welfare principles include “solving real social problems”, “achieving community integration”, “promoting in-depth participation of stakeholders”, and “developing a sustainable social welfare model”, and we strive to fulfil our corporate social responsibilities.





## Caring for children and helping educational growth

In 2021, Geely helped 806 students of registered impoverished households from 7 schools to complete their studies through the Geely Timely Rain student aid plan with a donation of more than CNY 13 million. In addition to making direct fund donations and material

donations, Geely seeks to deepen cooperation with aid organisations and promote engagement in the community. Using our own platform, we strive to bring love and warmth to more disadvantaged groups.

### As at the end of 2021, the Geely Timely Rain project

invested **CNY 693 million** in total,

employed more than **5,000** individuals,

helped more than **30,000** registered impoverished individuals,

carried out **31** agricultural projects in **43** villages of **20** counties, and

provided education assistance to more than **18,000** individuals,

completed the responsible procurement of more than **CNY 100 million** of agricultural and side-line products in targeted poverty alleviation areas.



### Little Red Horse Safety Education Public Welfare Action-planting the seeds of Safety

Volvo Cars has long been committed to making contributions to the progress of traffic safety and the healthy development of society. In 2021, Volvo Cars and China Next Generation Education Foundation (CNGEF) launched the Little Red Horse Safety Education & Public Welfare Initiative. Leveraging the professional resources of Volvo Cars Brand Experience Centre and Chengdu Manufacturing Base, the project takes a three-pronged to educating youth, through “safety education, exciting science experiences, and industrial visits”.

As China's first safety education & public welfare project that incorporates the PBL (Project Based Learning) concept, Little Red Horse Training replaces the traditional top-down teaching method with an innovative model that allows children to find answers for themselves regarding what is safety and how to keep safe. The students completed exploratory learning through independent exploration and teamwork. While popularizing the importance of safety, health, and environmental protection for teenagers, the session also inspired children to explore and innovate.



### Genius loves to assist children in need

In 2021, the “Genius Heart” Charity Club, initiated by Genius Auto Finance Co., Ltd., and in cooperation with the Shanghai United Foundation, launched the “Sunflower Treasure House” urban community centre service project for children in need. The project seeks to provide urban children in difficulty with a happy space for reading, learning, and activities, and help children gradually grow and be confident, optimistic, honest, and inclusive members of society.



### Cao Cao Care Fund helps children of drivers with financial difficulties stay in school

Geely upgraded the Cao Cao Care Fund by launching the Cao Cao Mobility “Luming Plan” and the “Green Bean Plan” to provide scholarships or grants for the children of eligible drivers and to help reduce the financial burden of the driver’s family and allow the driver’s children to receive education. In 2021, Cao Cao Mobility provided educational assistance to 48 children of drivers.



## Upgrading the Green Pathways initiative to make young children’s athlete dreams come true

In 2021, Geely HOPE-Green Pathways public welfare IP completed a new upgrade. In addition to the donation of sports equipment, Geely collaborated with the 19th Asian Games Hangzhou 2022 to build the Geely HOPE-Green Pathways public welfare platform and promote the development of youth football and realise the Asian Games dream of rural youth. Geely also donated interactive programming mobile devices and year-round courses to schools in Guangyuan, Sichuan province through the Lynk & Co brand “Yiqixue” (i.e., Learning together) youth public welfare programming project with the aim to help the development of education in the western region of China.

Moreover, we are committed to helping children of medical personnel on the front line of pandemic prevention, children of traffic police families, and children of poor and migrant families to learn swimming skills. We worked with the Zhejiang Swimming Association to help 1,000 young people eligible for scholarships learn swimming skills and keep fit.



Cooperated with Keep launching the Geely HOPE – Green Pathways online charity event to help children build their athlete dreams



Sports equipment donation activities for rural primary schools

## Action against flood and pandemics in disaster areas

In July 2021, when extreme rainfall hit Henan and caused severe flooding, Geely responded rapidly by donating CNY 25 million in cash and CNY 5 million worth of drones and auxiliary equipment to help rescue people in the flood-stricken areas in Henan. In October 2021, when heavy rain and severe floods hit Shanxi, we donated CNY 10 million to the Jinzhong Red Cross Society to help the local government and all sectors fight the disaster and the pandemic.

**Over the past eight years, the Geely HOPE-Green Pathways project**

has reached out to

**78** primary schools in Inner Mongolia, Yunnan, Shanxi, etc.,

and helped nearly

**10,000** students fulfil their athlete dreams.



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	<b>Principle 9</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	P24-37
 <b>Anti-corruption</b>	<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.	P17-19

GRI Standards	Section for reference	Note
<b>2. Topic-specific disclosures</b>		
Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	Stringent quality management	
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Stringent quality management	
<b>GRI 417: Marketing and Labelling</b>		
<b>1. Management approach disclosure</b>		
Disclosure 103-1 Explanation of the material topic and its Boundary	Meeting the diverse needs of users	
Disclosure 103-2 The management approach and its components	Meeting the diverse needs of users	
Disclosure 103-3 Evaluation of the management approach	Meeting the diverse needs of users	
<b>GRI 418: Customer Privacy</b>		
<b>GRI 418: Customer Privacy</b>		
Disclosure 103-1 Explanation of the material topic and its Boundary	Comprehensive safety assurance Data compliance governance	
Disclosure 103-2 The management approach and its components	Comprehensive safety assurance Data compliance governance	
Disclosure 103-3 Evaluation of the management approach	Comprehensive safety assurance Data compliance governance	



# Definitions

## ACU

ACU refers to Airbag Control Unit. The ACU is part of the airbag system used to protect the driver and occupants of a vehicle in case of collision.

## Class A0-C

Class A0-C is a type of automotive grade. This classification method is derived from a car classification method of Volkswagen Deutschland GmbH & Co. KG, which is mainly based on parameters such as wheelbase, displacement, and weight.

## CNAS

CNAS refers to the China National Accreditation Service for Conformity Assessment. CNAS is the national accreditation body of China's certification bodies, laboratories, and inspection bodies, which is established under the approval of the Certification and Accreditation Administration of the People's Republic of China (CNCA) and authorised by CNCA in accordance with the *Regulations of the People's Republic of China on Certification and Accreditation*.

## CRI

CRI refers to Carbon Recycling International. The Emissions-To-Liquids (ETL) technology developed by this company is the most advanced in the industry and can transform carbon dioxide emissions and hydrogen into (liquid) methanol. This way, carbon can be recycled and turned into the sustainable production of green and clean energy which can be widely applied in such fields as transportation, industrial production and replace household fuels.

## DRIVE Sustainability

Drive Sustainability is a partnership of 11 leading automotive companies, which aims to drive sustainability throughout the automotive supply chain by leveraging a common voice in its engagement with suppliers, stakeholders, and related sectors.

## DSI

DSI refers to Data Security Initiative. It is a plan officially launched by the China Academy of Information and Communications Technology (CAICT) in cooperation with more than 30 entities on 1 September 2021. DSI is committed to promoting data security technology exchanges and enhancing data security capacity building.

## ECE

ECE refers to the Economic Commission for Europe which has formulated ECE automobile regulations.

## ECE R100

ECE R100 refers to the EU test standards for the battery system of electric vehicles.

## ESG Reporting Guide

*ESG Reporting Guide* refers to the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Ltd. (SEHK). This Guide is organised into two ESG subject areas ("Subject Areas"): Environmental and Social. Each Subject Area has various aspects ("Aspects"). Each Aspect sets out general disclosures ("General Disclosures") and key performance indicators ("KPIs") for listing

companies to report on, and follows the reporting principals of "Materiality, Quantitative, Balance and Consistency".

## FIA

FIA refers to the Fédération Internationale de l'Automobile. Established in 1904, it is headquartered in Zurich, Switzerland. It aims to promote the development of the automobile industry. Currently, the FIA has 117 members. The Federation of Automobile Sports of the People's Republic of China (FASC) joined the FIA in 1983.

## Five concerns in one

"Five concerns in one" refers to a working mechanism that "the main responsibility of production and operation entities shall be enhanced and implemented, and a mechanism including the responsibilities of business entities, participation of employees, governmental regulation, industry self-regulation, and public supervision shall be established" stated in the *Work Safety Law of the People's Republic of China*.

## FSB

FSB refers to the Financial Stability Board. Its membership is composed of all G20 countries. It grew out of the Financial Stability Forum (FSF) established to promote financial system stability and created the Task Force on Climate-Related Financial Disclosures (TCFD) in December 2015.

## GDPR

GDPR refers to the General Data Protection Regulation adopted by the EU in 2016 to regulate the collection and

use of user data in the Big Data age. To give tech companies time to comply with the regulations, GDPR took effect from 25 May 2018. It is currently one of the most stringent regulations for the protection of personal data in the world.

## GKPC

GKPC refers to GEELY Automobile Key Positions Certification.

## GMTC

GMTC refers to GEELY Automobile Maintenance Technology Certification.

## Green Intelligent Link

Green Intelligent Link refers to Zhejiang Green Intelligent Link Co., Ltd. Green Intelligent Link provides a green transport capacity sharing platform strategically invested by Geely Commercial Vehicles Group and Transfar, headquartered in Hangzhou, Zhejiang. Green Intelligent Link is committed to being a provider of green transport capacity and smart IoV platform, with exclusive customised vehicles as the core, providing customers with Huilian car rental, Huilian car service, Huilian intelligent control and other new energy logistics vehicle operation management services.

## GRI Standards

GRI Standards refer to the *Sustainability Reporting Standards* prepared by the Global Reporting Initiative (GRI). GRI Standards are a set of interrelated reporting standards that help organisations publicly disclose their economic,



environmental, and social impacts, as well as their contributions to sustainable development.

### GSSB

GSSB refers to the Global Sustainability Standard Board. The GSSB is responsible for developing globally recognised sustainability reporting standards. The GSSB operates under a Terms of Reference to oversee the development of the GRI Standards according to a formally defined due process.

### HEV

HEV refers to Hybrid Electric Vehicle. HEVs are a compromise between conventional internal combustion vehicles and pure electric vehicles. HEVs use traditional internal combustion engines and an electric motor, which reduces the demand for fossil fuels and improves fuel economy. This way, we can achieve energy conservation, emission reduction, and reduce the greenhouse effect.

### HSE

HSE refers to the health, safety, and environment management system. The system is an effective method to determine the possible hazards in the workplace and the severity of the risks through prior identification and evaluation. This enables effective preventive measures, control measures, and emergency plans to be made to reduce the occurrence of accidents and minimise risks, thereby reducing personal injury, property damage, and environmental pollution.

### HYBRIT

SSAB, LKAB and Vattenfall has initiated a project that, if proven feasible, can solve the steel industry's carbon dioxide challenge, HYBRIT (Hydrogen Breakthrough Ironmaking Technology). The aim is to drastically reduce

carbon dioxide emissions from ironmaking by eliminating the need to use fossil fuel for iron ore reduction.

### IATF

IATF refers to the International Automotive Task Force. The IATF is an “ad hoc” group of automotive manufacturers and their respective National Automotive Industry Associations, formed to provide improved quality products to automotive customers worldwide. The purposes for which the IATF was established are: to develop a consensus regarding international fundamental quality system requirements, to develop policies and procedures for the common IATF third party registration scheme to ensure consistency worldwide, and to provide appropriate training.

### IATF 16949-2016

IATF 16949-2016 refers to Quality management systems- Particular requirements for the application of ISO 9001:2015 for production parts and related service parts in the automotive industry. As a complement and integration of the ISO 9001:2015 standard, it is consistent with the ISO 9001 standards.

### ICC

ICC refers to the Intelligent Cruise Control system.

### IIHS

IIHS refers to the Insurance Institute for Highway Safety. The institute is one of the two major NCAP institutions in the US and one of the most authoritative and strictest third-party security testing institutions in the world.

### ISO 9001:2015

ISO 9001:2015 refers to the internationally accepted quality management system (QMS) standard developed by the International Organization for Standardization (ISO).

### LCA

LCA refers to Life Cycle Assessment. LCA is a technique and method used to assess the environmental impact of a product throughout its life cycle, from the acquisition of raw materials, to the production of the product and the disposal of the product after use.

### LiDAR

A LiDAR is a “Laser radar” capable of detecting objects and their shape. In coming Volvo cars, the LiDAR can “see” more than 200 metres whether by day or night.

### LKA

LKA refers to Lane Keeping Assist System.

### MQB

MQB refers to Modular Querbaukasten, which is the latest transverse engine modular platform of the Volkswagen Group.

### National VI

In June 2018, the Ministry of Ecology and Environment of the People's Republic of China and the State Administration for Market Regulation jointly released the *Limits and Measurement Methods for Emissions from Diesel Fuelled Heavy-duty Vehicles (China VI)*, which stipulate that from July 2021, China must begin to fully implement the China VI emission standard for heavy-duty diesel vehicles nationwide.

### Oneworld Technology

Oneworld Technology refers to Oneworld Technology Co., Ltd. Established in 2020, Oneworld Technology is committed to building a green and intelligent battery swapping service platform and creating a smart green logistics ecosystem by providing the logistics industry with customised green power throughout the entire life cycle.

### Particulars on GHG data

1. The carbon emissions herein are calculated primarily based on ISO14064-2018, and according to the 2006 *IPCC Guidelines for National Greenhouse Gas Inventories*, the *Greenhouse Gas Protocol*, and the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions in Machinery and Equipment Manufacturing*.

2. Scope 3 emissions include emissions from the upstream supply chain, logistics and transportation, product use, employee commuting and business travel. Some emissions use an approximation due to the lack of data. The data monitoring system will be optimised in the future to improve data accuracy.

3. Considering the complexity of the supply chain of the automobile manufacturing industry, the carbon emissions from the current supply chain stage only consider the carbon emissions from the life cycle of the raw materials of which the car is made (except for power batteries). For the relevant carbon emission factors, refer to CALCD (China Automotive Life Cycle Database) issued by China Automotive Technology and Research Centre (CATARC). For the section of emission factors of Volvo Cars, refer to the *Volvo Car Group Annual and Sustainability Report 2021*; for the section of emission factors of Polestar, refer to the *Polestar Sustainability Report 2021*.

4. The raw material composition data of some commercial vehicle models are incomplete, and this calculation is approximated based on the raw material data of typical vehicles.

5. The carbon emissions from the vehicle use stage are calculated based on the mileage of 150,000 kilometres for passenger cars and 600,000 kilometres for commercial vehicles.

6. Carbon emissions from vehicle disposal are excluded.

7. LEVC and Lotus Cars' overseas factories are excluded.

**Particulars on energy data**

Energy consumption data is calculated with reference to the *General Principles for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).

**PHEV**

PHEV refers to Plug-in Hybrid Electric Vehicle. It combines the advantages of pure electric vehicles (EVs) and hybrid electric vehicles (HEVs), which can not only achieve pure electric, zero-emission driving, but also increase the driving range (DR) of the vehicle.

**REEV**

REEV refers to electric vehicles with extended range. REEVs are an electric vehicle that can achieve all their power performance in pure electric mode, and can also extend the cruising range with the on-board auxiliary power unit, which can be turned on to provide electrical energy for the power system when the on-board rechargeable energy storage system cannot meet the cruising range requirements.

**RMI**

RMI refers to the Responsible Minerals Initiative, which serves as a collaborative platform for addressing responsible mineral sourcing issues in global supply chains.

**SASB**

SASB refers to the Sustainability Accounting Standards Board. The SASB is a US-based non-profit organisation dedicated to developing a series of industry-specific ESG disclosure indicators to facilitate the exchange of relevant information between investors and companies that has a material impact on financial performance and facilitates decision-making.

**SBTi**

SBTi refers to the Science Based Targets initiative. This initiative aims to increase the ambition of companies to promote more aggressive emission reduction actions and solutions, so as to jointly combat global climate change. If a target is set in line with the level of carbon reduction required to limit warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, the target is known as a SBTi.

**SDGs**

SDGs refer to the Sustainable Development Goals. SDGs, including 17 goals, SDGs were officially adopted by 193 member states at the United Nations Sustainable Development Summit on 25 September 2015. SDGs aim to completely solve the development issues in the three dimensions of society, economy, and environment from 2015 to 2030, and turn to a sustainable development path.

**Soland Tech**

Soland Tech refers to Soland Energy Technology Co., Ltd. Soland Tec, a new energy technology enterprise. This company is committed to the R&D of energy recovery systems, the operation of electric vehicle charging infrastructure, the manufacture of power transmission and distribution and control equipment, energy conservation management services, and battery leasing.

**TCFD**

TCFD refers to the Task Force on Climate-Related Financial Disclosures. TCFD provides enterprises with a framework for effective Climate-Related disclosure recommendations to facilitate better investment, credit and insurance underwriting decisions, and in turn, provides stakeholders with a better understanding of the concentration of Carbon-Related assets in the financial sector and the Climate-Related risks the financial system faces.

**TNGA**

TNGA refers to Toyota New Global Architecture.

**TÜV**

TÜV mark is a safety certification mark customised by TÜV SÜD for component products and is widely accepted in Germany and Europe.

**UL 2580**

UL refers to Underwriter Laboratories Inc. UL 2580 is a safety standard for electric vehicle batteries.

**UNGC**

UNGC refers to UN Global Compact. UNGC is the world's largest international organisation promoting corporate sustainability, with more than 10,000 corporate and other stakeholder members from more than 160 countries. These members commit to implement the Ten Principles of the UN Global Compact, covering human rights, labour standards, the environment and anti-corruption, and to report on progress annually.

**VOC**

VOC refers to volatile organic compounds.

**VRU**

VRU refers to vulnerable road users.

**WTCR**

WTCR refers to the World Touring Car Cup. WTCR is a brand-new competition after the merger of famous the WTCC (World Touring Car Championship) and TCR Series in 2018.

**Dear Readers:**

Thank you for reading the *Geely Holding Group Sustainability Report 2021*.

We want to continue to present Geely's sustainability vision and performance to you and other stakeholders in the future. We sincerely invite you to fill in the feedback form and tell us your valuable opinions on the Group's sustainability performance and sustainability report, to help us further improve our sustainability management capabilities.

You may scan the QR code below to give us your valuable opinions or contact us by email.

**Contact us**

Email: [sustainability@geely.com](mailto:sustainability@geely.com)



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your valuable opinions