

Chery Automobile Co., Ltd.

Climate-Related Disclosures Report

2025



奇瑞汽车
CHERY AUTO

CONTENTS

- 01 About This Report
- 02 Introduction: Chery Auto's Journey
Toward a Low-Carbon Future
- 48 Appendix

Governance

- 04 Climate Governance Structure
- 05 Climate Governance Responsibilities

Strategy

- 08 Climate-Related Risks and Opportunities
- 11 Climate Scenario Analysis and Financial Impact
Assessment
- 20 Establishing a Global Climate Resilience System
- 24 Leading Value Chain Low-Carbon Transition

Risk and Opportunity Management

- 40 Climate Risk and Opportunity
Management Mechanism
- 41 Climate Risk and Opportunity
Management Process

Metrics and Targets

- 44 Climate Target and Progress
- 45 Climate-Related Metrics



About This Report

Report Overview and Basis for Preparation

The Chery Automobile Co., Ltd. 2025 Climate-related Disclosures Report (hereinafter "this Report") is the first climate-related financial disclosures report published by Chery Automobile Co., Ltd. This Report has been prepared with reference to relevant regulatory requirements and disclosure recommendations outlined in the IFRS S2: Climate-Related Disclosures (IFRS S2¹) issued by the International Sustainability Standards Board (ISSB²), the Environmental, Social and Governance Reporting Code (the ESG Code) set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (SEHK), and the Sustainability Disclosure Standards for Business Enterprises No. 1 – Climate (Trial) issued by the Ministry of Finance of the People's Republic of China. This Report presents disclosures of Chery Automobile Co., Ltd. across the four core pillars including governance, strategy, risk management, and metrics and targets.

Reporting Scope and Boundary

This is an annual report covering the financial year from January 1, 2025 to December 31, 2025 (the "reporting period"). Certain information refers to prior or future years to enhance the completeness of this Report. The scope of this Report is consistent with that of the annual report. In cases where the information presented differs from the reporting scope, such discrepancies are indicated in the corresponding text.

Explanatory Notes

In this Report, "Chery Auto", "the Company", and "we" all refer to Chery Automobile Co., Ltd. and its subsidiaries. Chery Holding Group Co., Ltd. is referred to as "Chery Holding". The data and information cited in this Report are primarily sourced from the Company's official documents, internal management policies, statistical reports, business records, and management materials provided by the relevant functional departments. Unless otherwise specified, all monetary amounts in this Report are denominated in Renminbi ("RMB"). Certain figures and percentages have been rounded, and therefore, the totals shown in some tables may not be the exact sum of the preceding numbers.

Certain statements in this Report may constitute forward-looking statements, which can be identified by terms such as "will", "expect", "future", "plan", "target" and other similar expressions. Forward-looking statements are subject to inherent risks and uncertainties. Content in this Report related to climate scenario analysis, risk assessment, target planning and other relevant matters is solely based on the information available to the Company during the preparation period of this Report, reasonable assumptions and management judgments, and is intended to reflect the Company's reasonable expectations for potential future developments. The Company undertakes no obligation to update or revise any forward-looking statements contained in this Report, nor shall it be liable for any forecast deviations arising from new information, future events or other circumstances.

Information Management and Disclosure

The Company attaches great importance to the standardized management of climate-related information and is committed to ensuring the authenticity, accuracy and completeness of the information disclosed in this Report. It continuously monitors the potential impacts of climate-related risks and opportunities on the Company's strategy, operations and financial performance, while further strengthening its climate governance framework and capabilities for low-carbon transition.

Report Access

This Report is published in two text versions: Simplified Chinese and English. In the event of any discrepancy or inconsistency in the interpretation of the two versions, the Simplified Chinese version shall prevail. This Report is released in electronic format and can be accessed and downloaded from the official websites (www.chery-auto.com and www.chery.cn) of Chery Auto.

Contact Information

The Company highly values stakeholders' opinions and suggestions regarding climate governance, low-carbon transition and sustainable development of the Company. We welcome readers to contact us through the following channels. Your feedback will help us further improve the quality of our climate-related disclosures and enhance our climate management capabilities.

Company Address: No. 8 Changchun Road, Economic and Technological Development Area, Wuhu, Anhui Province, China

Email: sustainability@mychery.com

Note: 1. IFRS S2, International Financial Reporting Standards S2 Climate-Related Disclosures.
2. ISSB, International Sustainability Standards Board.

Introduction: Chery Auto's Journey Toward a Low-Carbon Future

According to the State of the Global Climate 2025 report published by the World Meteorological Organization (WMO), the global average temperature was around 1.43°C above pre-industrial levels, and the past decade stands as the warmest 10-year period on record. The warning signals of climate change are more tangible and urgent than ever, resonating across every corner of the globe. 2025 marks the 10th anniversary of the adoption of the Paris Agreement. The 30th United Nations Climate Change Conference (COP30) brought together stakeholders from across the world, reached consensus on a range of critical climate priorities, and helping move global climate governance from "shared commitments" toward "shared accountability". Carbon reduction has become a common action priority for all countries worldwide. Positioned at the crossroads of energy transition, green manufacturing and low-carbon mobility, the automotive sector bears a critical responsibility to advance the broader green transformation of global economies and societies.

As a key player among China's independent automotive brands, Chery Auto is not only a participant in climate action, but also a driving force in the transition to a low-carbon future. We are committed to embedding our low-carbon vision into the strategic foundation of our corporate development, integrating green principles across the full cycle of production and operations, and embedding our commitment to green and low-carbon development in every aspect of value creation. We have established clear climate targets: By 2030, reduce average greenhouse gas emissions from vehicle manufacturing per vehicle by 60% compared with 2023; by 2037, achieve net zero in our own operations; and by 2047, achieve net zero across the entire value chain.

Reshaping low-carbon mobility through technological innovation

Chery Auto has long positioned technological innovation as the core engine powering its transition to a low-carbon future. In the era of new energy, we build on 28 years of accumulated technological expertise to continuously improve product energy efficiency and low-carbon competitiveness, contributing "Chinese solutions" to the green development of the global automotive industry. In 2025, we delivered iterative upgrades and breakthrough innovations across multiple core new energy technologies. Notably, our independently developed Kunpeng Tianqing hybrid-dedicated engine reached a thermal efficiency of over 48%. Across our five major brands consisting of Chery, Exeed, Jetour, iCAR and Luxeed, we launched multiple new energy models including the Chery Fengyun A9L, Zongheng G700, iCAR V23 and JAECCO 5, to cater to the green mobility needs of diverse consumer segments. We are also continuously expanding the boundaries of our green mobility ecosystem, with a focus on scenarios of "vehicles, energy storage, charging infrastructure, power grids, cloud platforms and carbon management". We have built a diversified collaborative application system covering Dragon Charger, virtual power plants, solid oxide fuel cell solutions, and V2G smart charging piles, to create a green smart energy ecosystem that delivers a more convenient, efficient and low-carbon mobility experience for all users.

Consolidating our low-carbon foundation through smart green manufacturing

Chery Auto recognizes that low-carbon development goes far beyond our products, and covers every link of the entire manufacturing chain. We actively leverage digital and intelligent tools to continuously refine the granularity of our energy management. Focused on optimizing energy mix, enhancing energy efficiency and rolling out zero-carbon factories, we are accelerating the development of our green new quality productive forces, and driving the steady transition of our production model towards high efficiency, clean operations, smart manufacturing and low-carbon operations. In 2025, the Company's cumulative installed capacity for grid-connected photovoltaic power was 281.92 MW, and purchased green power amounted to 305,136.04 MWh; we carried out several energy-saving technical renovation projects, cumulatively saving 16,808.08 MWh of energy, equivalent to a reduction of 8,852.05 tonnes of carbon dioxide emissions.

Co-creating a low-carbon ecosystem through the power of collaboration

Chery Auto firmly believes that every collaborative effort across the industrial chain and every step forward alongside ecosystem partners will accelerate the automotive industry's transition towards a low-carbon and sustainable future. We actively draw on our industry leadership and coordinating influence to continuously expand the scope of our decarbonization efforts, deepen collaborative governance with suppliers, and promote the adoption of low-carbon materials,

green procurement and supply chain emission reduction. We have also set a target that, by 2030, green power will account for no less than 60% of electricity used by core Tier 1 suppliers for vehicle manufacturing. Meanwhile, we are proactively building a more resilient and high-value green circular system, cooperating with value chain partners in core areas including end-of-life vehicle dismantling, parts remanufacturing, power battery recycling, and recycling of hazardous waste resources to enhance the value of resource circulation. In 2025, we worked with our partners to recycle a total of 630 tonnes of retired power batteries and utilized them by category based on their actual condition. The resulting battery products were used in applications such as starter batteries, residential energy storage systems, and forklift power supplies. This practice gives resources a second life through circular utilization, allowing green value to extend continuously across the full value chain.

Starting from Wuhu, we expand our footprint across the globe. Our journey toward a low-carbon future is both a demonstration of the proactive responsibility Chinese automotive brands assume in addressing global climate challenges, and our answer to the call of the times in which we drive green mobility via technological innovation and advance low-carbon transition through value chain collaboration. Looking ahead, Chery Auto will remain guided by our green and low-carbon development vision, powered by technological innovation, and connected through global collaboration. As we navigate the intersection of global climate governance and industry transformation, we will steer ahead toward a lower-carbon, smarter, and more resilient sustainable future.

Governance

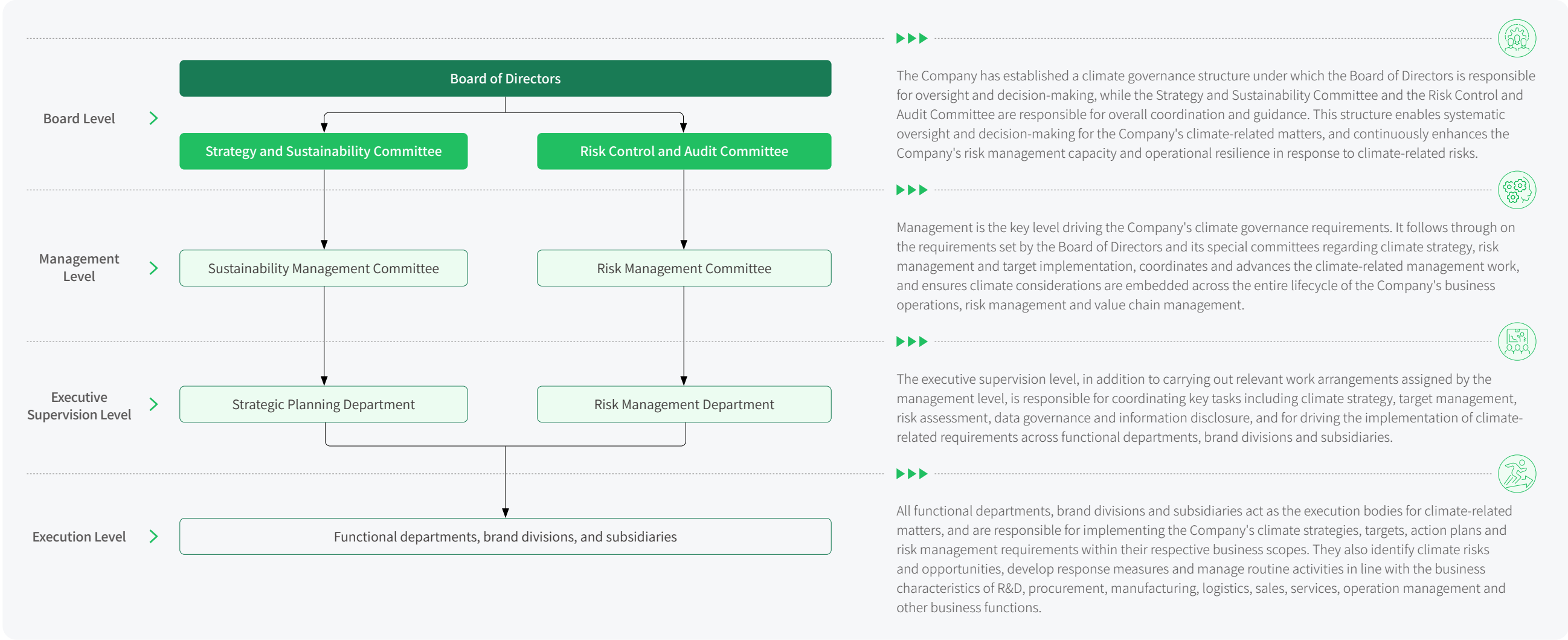
Against the backdrop of the global low-carbon transition driven by the *Paris Agreement*, climate governance has become an important issue for automotive enterprises to participate in international competition, improve operational resilience and achieve high-quality development. As a Chinese automotive enterprise with a global footprint, Chery Auto positions climate governance as an important component of its corporate governance and strategic decision-making. We have established a top-down climate governance system, and systematically integrated climate-related issues into the Company's overall development strategy and operations, laying a solid foundation for our global operations and long-term sustainable development.

- Climate Governance Structure
- Climate Governance Responsibilities



Climate Governance Structure

Chery Auto integrates climate-related issues into the key scope of its overall corporate strategic coordination, governance oversight and operational management, and continuously improves its governance capacity and management resilience in response to climate change. By aligning sustainable development governance with overall risk management, the Company has established an end-to-end management system with clearly defined authorities and responsibilities, to ensure the effective advancement and implementation of all climate governance initiatives.



Climate Governance Responsibilities

To effectively implement climate governance, Chery Auto has clearly defined oversight, overall planning, coordination and execution responsibilities at each level of its climate governance structure, establishing a top-down climate governance framework that drives progress through cross-functional collaboration.

Responsibilities of the Board Level

› The Board of Directors

The Board of Directors acts as the ultimate decision-making body for the Company's climate-related matters. The Board deliberates climate-related strategies, policies and systems, material risks and opportunities, target setting, interim progress, and information disclosures, and oversees the effective implementation of all resolutions. Through regular Board meetings and management reporting, the Board stays updated on climate risks and opportunities, regulatory trends, progress against established targets and priority initiatives. The Board also conducts comprehensive reviews of climate risks and opportunities at least once annually, and drives the integration of climate issues into the Company's strategic planning, material decision-making, risk management and operational decision-making processes. These efforts provide governance support for the Company in strengthening climate resilience, advancing low-carbon transition and creating long-term value.

When selecting Board members, we prioritize diversity in both professional backgrounds and work experience to support the Board in effective oversight of climate-related matters. Multiple directors possess solid experience in the automotive industry, and are proficient

in financial management and risk control. Their long-standing operational experience has enabled them to develop professional judgment on sector development trends and strategic risks. One of our independent non-executive directors has working experience in the new energy sector, and is able to provide specialized support in reviewing climate strategies, identifying material risks and opportunities, and advancing related disclosures.

› The Strategy and Sustainability Committee

The Strategy and Sustainability Committee, as a Board-level committee overseeing climate and sustainability matters, is responsible for coordinating and guiding the formulation of the Company's climate vision, strategy, targets and management systems, and overseeing the identification, assessment and implementation of initiatives related to climate-related risks, opportunities and low-carbon transition. In addition, the committee also provides recommendations to the Board on climate strategic direction, progress against established targets, priority initiatives, and climate-related disclosure arrangements.

In 2025, the Strategy and Sustainability Committee held 7 meetings, with focuses on reviewing management

matters such as carbon neutrality strategies, emission reduction targets, ESG risks and opportunities, and internal carbon pricing mechanisms. The Strategy and Sustainability Committee and core management personnel attended the meetings to report on work progress and response measures. Relevant material issues were promptly reported to the Board of Directors for deliberation and decision-making.

› The Risk Control and Audit Committee

The Risk Control and Audit Committee acts as the risk oversight organization under the Board of Directors. The committee is responsible for supervising and guiding the integration of climate-related risks into the Company's overall risk management, and tracking identification, assessment, response, monitoring and supervisory evaluation of material climate risks. The committee also oversees the implementation of climate risk management policies, systems and control measures, guides management to comply with risk management requirements, and submits recommendations to the Board of Directors on the operational effectiveness of the Company's climate risk management system.

Capacity Building of the Board Level

The Company attaches great importance to developing professional climate governance capabilities. During the reporting period, we delivered 4 theme-specific training sessions targeted toward the Board of Directors, senior management, and sustainability execution personnel, covering content including climate-related policies and regulations, carbon emissions trading, and low-carbon transition pathways. These efforts continuously strengthened the professional expertise and technical competencies of our climate governance, management and execution teams.



Responsibilities of the Management Level

➤ The Sustainability Management Committee

The Sustainability Management Committee acts as the coordinating body for advancing the Company's climate and ESG management work. The committee is responsible for implementing the requirements proposed by the Board of Directors and the Strategy and Sustainability Committee, and formulating and advancing climate strategies, management policies, target breakdown, action plans, and information disclosures. The committee coordinates all functional departments, brand divisions and subsidiaries to deliver on core climate priorities, and drives the integration of climate targets and low-carbon transition requirements into the Company's business operations and value chain management.

➤ The Risk Management Committee

The Risk Management Committee acts as the coordinating body for the Company's overall risk management and is responsible for integrating climate-related risks into the overall risk management framework. The committee deliberates on material climate risks, risk assessment criteria and response measures, coordinates cross-functional responses to major risk incidents, and oversees the implementation of relevant control measures. The committee regularly reviews critical and emerging risks in light of changes in the internal and external risk landscape, to promote the effective operation of climate risk management within the Company's overall risk management mechanisms.

In addition, the Company has incorporated climate-related performance into the remuneration appraisal system for relevant senior management and execution teams, with assessment metrics set across dimensions including delivery of emission reduction targets, energy efficiency gains, adoption of green technologies, and implementation progress of climate-related projects. This arrangement drives deep alignment between climate management, business strategy, daily operations and accountability delivery, establishing an end-to-end management system covering "target setting, process tracking, and performance evaluation".

Responsibilities of the Executive Supervision Level

➤ The Strategic Planning Department

The Strategic Planning Department serves as the department responsible for execution supervision and coordination of climate and ESG management. The department is responsible for following through on relevant resolutions of the Sustainability Management Committee, and coordinating and advancing climate strategic planning, target management, key initiatives, climate data collection and information disclosure. The department leads and organizes the identification and assessment of climate risks and opportunities, as well as the formulation of corresponding response measures, coordinates relevant departments and business units to deliver on climate management requirements, and reports progress to the management level.

➤ The Risk Management Department

The Risk Management Department acts as the execution, oversight and coordination department for the Company's climate risk management. The department is responsible for incorporating identified climate-related risks into the Company's risk database for centralized management in accordance with the Company's risk classification criteria. The Risk Management Department coordinates enterprise-wide comprehensive risk assessment, monitoring, reporting, response tracking, preparation of risk management reports and management improvement initiatives, while providing the Strategic Planning Department and other departments primarily responsible for risk management with support on risk management tools and methodologies.

Responsibilities of the Execution Level

➤ All functional departments, brand divisions, and subsidiaries

All functional departments, brand divisions, and subsidiaries submit climate-related monitoring data, risk information and work progress in accordance with the unified requirements of the Company. They formulate and implement relevant risk response strategies and control measures, and are subject to the Company's supervision, inspection and evaluation. For climate-related matters involving cross-departmental, cross-regional or value chain collaboration, all execution bodies conduct coordinated response to effectively implement climate management requirements across frontline business operations.



Strategy

Amid the accelerating impacts of global climate change, the automotive industry is undergoing a fundamental transformation in its business models, growth pathways and management practices. Chery Auto attaches great importance to the potential impacts of climate change on its strategic planning, business decision-making and business development, and comprehensively identifies climate risks and opportunities. The Company leverages climate scenario analysis to evaluate their potential impacts on its operations and value chain. Meanwhile, guided by the goal of achieving carbon neutrality, the Company has systematically formulated a climate transition plan, continuously optimized its low-carbon development roadmap, and strengthened its competitive position in the global green transition.

- Climate-Related Risks and Opportunities
- Climate Scenario Analysis and Financial Impact Assessment
- Establishing a Global Climate Resilience System
- Leading Value Chain Low-Carbon Transition



Climate-Related Risks and Opportunities

Climate change presents potential risks to the Company's operations while also creating significant opportunities to advance its green transition and business innovation. During the reporting period, the Company conducted a systematic internal assessment of climate-related risks and opportunities, identifying and analyzing climate-related risks and opportunities over the short, medium and long term. With reference to the TCFD framework, we conducted extensive industry research and invited representatives from relevant business departments to participate in climate-related questionnaire scoring. We then consolidated professional judgments and insights from multiple fields to assess and analyze the impacts of these climate-related risks and opportunities on the Company's business model, value chain and financial performance. Going forward, the Company will, in line with its business development and management needs, further engage external professional institutions and climate experts in the assessment process, thereby continuously strengthening its forward-looking analysis and assessment capabilities regarding climate-related risks and opportunities. Based on the results of this assessment, the Company did not identify any climate-related risks that are likely to have a material impact on the carrying amounts of its assets and liabilities during the next reporting period.

Climate-Related Risks for Chery Auto

Climate Risk Category	Major Impacts of Climate Risks on the Business Model and Value Chain	Time Horizon	Main Value-Chain Stages	Main Financial Impacts	Management Strategy
Physical Risk	Acute Risk R1 Flood: More frequent and severe flooding could inundate and damage the Company's production facilities and equipment, disrupt operations, impede logistics and transportation, and interrupt the supply chain, potentially undermining production and supply continuity and reducing operational efficiency.		Upstream Own operations Downstream	• Increase in cost of sales • Decline in total non-current assets • Decline in revenue	➤ Refer to Chapter " Building a Climate Resilience Operational Mechanism " for details
	Chronic Risk R2 Prolonged High Temperatures: Prolonged periods of high temperatures and heatwaves may threaten employee health and workplace safety, increase equipment operating loads and failure risks, and adversely affect production and labor productivity. Cooling demand at production facilities, offices and other operating sites may also increase to maintain an appropriate working environment. In addition, the Company may face the risk of power rationing due to overload on the regional power grid, which could disrupt production plans.		Own operations	• Increase in cost of sales • Decline in revenue	➤ Refer to Chapter " Building a Climate Resilience Operational Mechanism " and " Advancing Energy System Resilience " for details

Climate Risk Category	Major Impacts of Climate Risks on the Business Model and Value Chain	Time Horizon	Main Value-Chain Stages	Main Financial Impacts	Management Strategy
Transition Risk	Policy and Legal Risk R3 Tightened Climate-Related Regulatory and Compliance Requirements: As China continues to deepen its carbon emissions management policies, industries such as steel and aluminum smelting have been incorporated into the national carbon emissions trading market. The pressure on upstream enterprises in the automotive industry to reduce emissions and fulfill compliance obligations may be transmitted downstream along the industrial chain, placing higher requirements on vehicle manufacturers in terms of raw material procurement and supply chain management. Meanwhile, regulatory requirements in overseas markets are becoming increasingly stringent. With the successive implementation of regulations such as the EU Regulation on CO ₂ Emission Performance Standards for New Passenger Cars and New Light Commercial Vehicles, the EU Carbon Border Adjustment Mechanism (CBAM) Regulation, and the EU Batteries Regulation, enterprises will face higher compliance requirements for product exports.		Upstream Own operations	• Increase in cost of sales • Decline in revenue	➤ Refer to Chapter " Assessing Impacts of Climate Change on Global Operations " for details
	Technology Risk R4 Low-Carbon Products and Technology Iteration: The automotive industry is characterized by rapid technological iteration. If an enterprise's R&D investment in cutting-edge low-carbon technologies is insufficient, or if the conversion of R&D results falls short of expectations, its product competitiveness may decline, which may in turn affect its market share.		Own operations	• Increase in research and development expenses • Decline in revenue	➤ Refer to Chapter " Accelerating Low-Carbon Transition in the Product Use Phase " and " Building a Low-Carbon Circular Operation Ecosystem " for details
	Market Risk R5 Shifts in Consumer Demand: Global automotive consumption is rapidly transitioning towards low-carbon mobility. If the Company's new energy vehicle product mix, driving-range performance, or energy-saving and environmental performance fails to meet consumer expectations, its brand competitiveness may decline.		Own operations Downstream	• Decline in revenue	➤ Refer to Chapter " Enhancing Climate Adaptability of Products and Services " for details
	Market Risk R6 Raw Material Price Fluctuation: Climate change may alter the ecological environment and resource development conditions in certain regions, affecting the production and supply of raw materials such as natural rubber and natural fibers, as well as the extraction of mineral resources such as copper, aluminum, lithium, nickel and cobalt. Meanwhile, driven by factors such as the development of clean energy technologies and growing demand from the new energy industry, the supply and demand dynamics of relevant metal resources will change. As a result, the supply of certain key raw materials may tighten or procurement may become more difficult, resulting in fluctuations in market prices.		Upstream Own operations	• Increase in cost of sales	➤ Refer to Chapters " Building a Climate Resilience Operational Mechanism " and " Promoting Low-Carbon Collaboration across the Supply Chain " for details
	Reputation Risk R7 Climate-Related Reputation Risk: Inadequate climate-related decision-making or action, or adverse impacts on stakeholders' interests during the Company's climate transition, may lead to negative public perceptions and damage the Company's brand reputation.		Own operations	• Increase in cost of sales	➤ Refer to Chapter " Building a Climate Resilience Operational Mechanism " for details

Climate-Related Opportunities for Chery Auto

Climate Opportunity Category	Major Impacts of Climate Opportunities on the Business Model and Value Chain	Time Horizon	Main Value-Chain Stages	Main Financial Impacts	Management Strategy
Resource Efficiency	O1 Circular Economy: The extension of the automotive value chain and the rapid development of the circular economy are creating new business opportunities, including the recycling and repurposing of power batteries, the remanufacturing of automotive components, and the recycling and reuse of critical materials.		Upstream Own operations Downstream	Increase in revenue	➤ Refer to Chapter "Building a Low-Carbon Circular Operation Ecosystem" for details
Energy Source	O2 Renewable Energy Adoption: The large-scale application of renewable energy, such as solar photovoltaic power, together with medium- and long-term stable green-electricity supply agreements, can increase the proportion of clean energy used, reduce dependence on fossil fuels and enhance the stability of the energy supply.		Own operations	Reduction in cost of sales	➤ Refer to Chapter "Driving Low-Carbon Transition of Manufacturing System" for details
Product and Service	O3 Growing Demand for Green Mobility: As consumer awareness of low-carbon mobility increases, the market acceptance and competitive advantages of new energy vehicle products, including battery electric vehicles, plug-in hybrid electric vehicles and range-extended electric vehicles—as well as vehicle models carrying green-product labels and ecological certifications, are expected to improve further.		Own operations Downstream	Increase in revenue	➤ Refer to Chapter "Enhancing Climate Adaptability of Products and Services" and "Accelerating Low-Carbon Transition in the Product Use Phase" for details
Market	O4 Green Financing Support: As green-finance policy frameworks and market mechanisms continue to improve, enterprises with sound climate-governance mechanisms, clearly defined energy-conservation and carbon-reduction targets, and high-quality information disclosure may broaden their financing channels through sustainable financing instruments such as green loans and green bonds, while obtaining more favorable financing terms.		Own operations	Reduction in finance costs	➤ Refer to Chapter "O4: Green Financing Support" for details

Note: 1. Definition of time horizon: taking into consideration the Company's business plans, risk management strategy, and climate-related policies in the countries or regions where its operations are located, time horizons are categorized into short-term (1 to 5 years), medium-term (6 to 15 years), and long-term (over 15 years).

2. Definition of the value chain scope: upstream (raw material procurement and supply chain management), own operations (R&D and manufacturing), and downstream (distribution, marketing, sales, after-sales service and end-of-life management).

Short-term

Medium-term

Long-term

Climate Scenario Analysis and Financial Impact Assessment

The socioeconomic impacts of climate change are subject to a high degree of uncertainty. To develop a sound understanding of the complex transmission pathways and magnitude of climate-related impacts, during the reporting period the Company adopted climate scenario analysis. By developing comparative climate scenarios and corresponding development pathway assumptions—including low-emissions, current-emissions, and high-emissions scenarios—the Company simulated the potential impacts of climate-related risks and opportunities on its business, financial performance, and strategy under varying conditions, such as different levels of climate policy stringency, rates of technological advancement, and degrees of global warming.

The analysis has made us aware that there is no simple, stable or linear relationship between external scenarios and business models or financial results. For example, more stringent policy requirements may accelerate adjustments to products and production systems, but the ultimate financial impact will still depend on consumer demand, the pace of decline in technology costs, market competition and the pace and timing of the Company's product rollouts. In addition, due to constraints arising from the current stage of development of scenario analysis methodologies, such as the limited availability and accuracy of granular regional data, granular climate hazard data and long-term forecast data for industry-specific parameters, our analysis is subject to inherent limitations. Accordingly, the analysis focuses on identifying the business areas that may be materially affected under different scenarios, clarifying the pathways through which relevant risks and opportunities may arise, and assessing the potential level of financial impact under specific reasonable assumptions and different parameters, rather than providing precise calculations of all possible future climate pathways and variables. The relevant results will be used to assess and review the adaptability of the Company's management model, business planning and strategic development under different scenarios, and to provide a basis for informed decision-making as the Company refines its climate response strategies, optimizes resource allocation and advances its low-carbon transition.

Physical Risks

Drawing on the Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) scenario frameworks developed by the Intergovernmental Panel on Climate Change (IPCC), we assess the potential operational and financial impacts of physical climate risks, such as prolonged high temperatures and flooding, under different global warming scenarios.

Scenario	Low-Emission Scenario SSP1-RCP1.9	Current-Emission Scenario SSP2-RCP4.5	High-Emission Scenario SSP3-RCP8.5/SSP5-RCP8.5
Description	Based on a sustainable shared socioeconomic pathway, the global economy accelerates its transition towards low-carbon development. Greenhouse gas emissions decline rapidly and reach net zero by 2050, limiting the increase in global average temperature to below 1.5°C .	Social, economic and climate policies continue to follow current development trends globally. Countries and regions adopt moderate emissions reduction measures, with greenhouse gas emissions peaking around mid-century before gradually declining.	The global economy continues to grow rapidly, while countries and regions remain highly dependent on fossil fuels and energy-intensive industries. In the absence of effective climate policy intervention, greenhouse gas emissions continue to rise.
Estimated Warming by the End of the Century	<1.5°C	1.5°C ~3°C	>3°C
Source	The United Nations Intergovernmental Panel on Climate Change (IPCC)		

Note: Given that the scenario parameters corresponding to different climate risk assessment models vary, the SSP3-RCP8.5 scenario and the SSP5-RCP8.5 scenario are adopted respectively for the high-emission scenario. The Water Risk Atlas Aqueducts Flood Tool conducts financial impact projections based on the SSP3-RCP8.5 scenario; therefore, this scenario is adopted for the flood risk analysis, while the SSP5-RCP8.5 scenario is adopted for the persistent high-temperature risk analysis.

R1: Flood

Flood refers to the inundation of land caused by factors such as heavy rainfall, river overflow, inadequate urban drainage, or sea level rise. Flood events may adversely affect the Company's asset value, production and operations, and business stability, thereby posing potential impacts on financial performance. In 2025, the Company did not incur any material asset losses or experience any adverse impacts on its production and operations due to flooding.

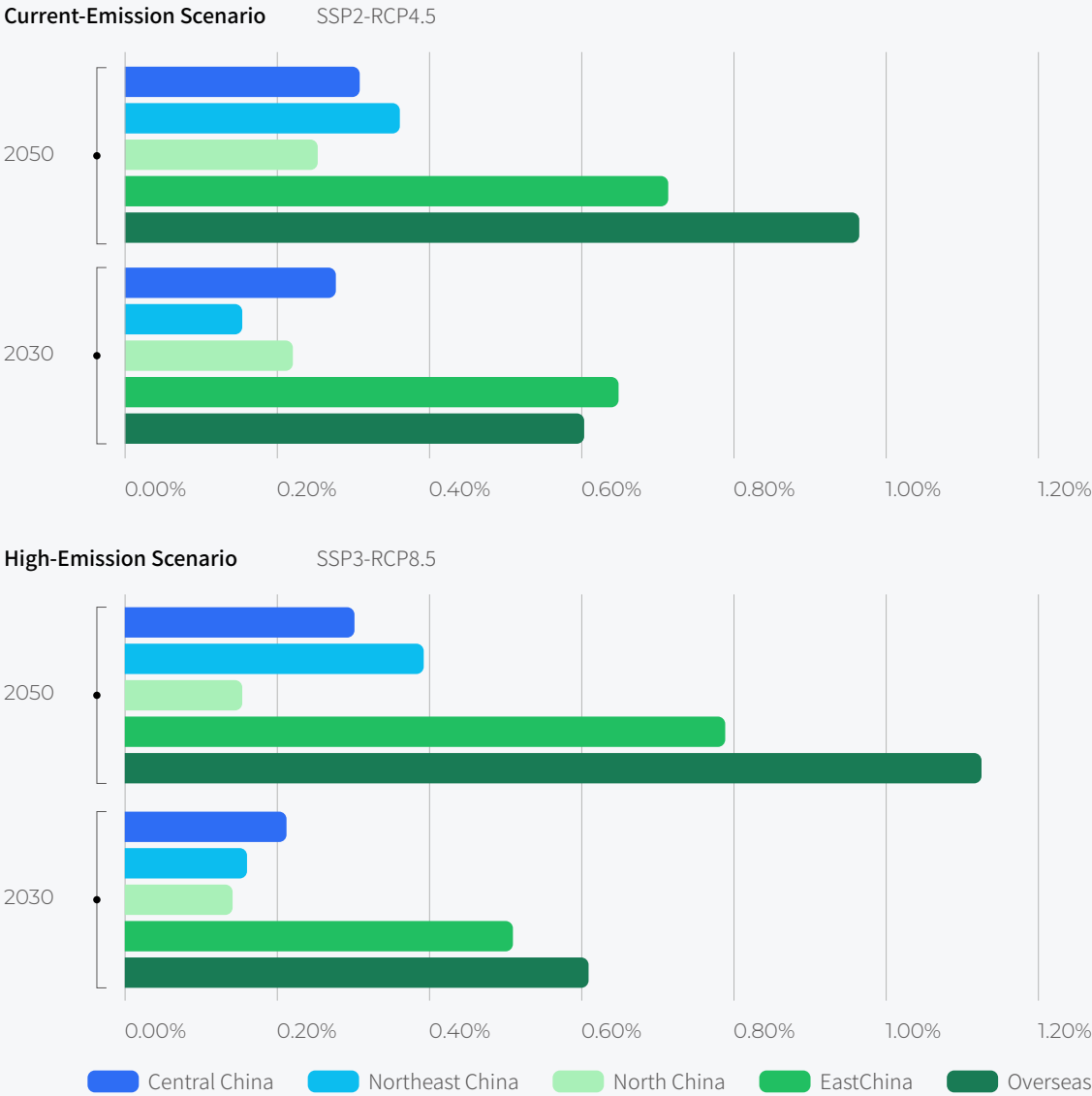
In order to further assess the potential financial impacts of flood risks under different future climate scenarios, the Company uses the Water Risk Atlas Aqueducts Flood Tool of the World Resources Institute (WRI) and applies the Physical Value-at-Risk (PVaR) methodology to assess the potential financial impacts of flood disasters on its major vehicle manufacturing bases under different climate scenarios.

Based on the assessment results, under both the high-emission scenario (SSP3–RCP8.5) and the current-emission scenario (SSP2–RCP4.5), the potential impact of flood risk on the Company's non-current assets is projected to increase over time, while remaining low overall, with PVaR not exceeding 1%. The only exception is the Company's overseas operations (a production base in Southeast Asia), where the PVaR associated with flood events is projected to exceed 1% by 2050, reaching a moderate impact level and therefore warranting heightened attention. Within China, the Company's production bases in East China are expected to face slightly greater flood exposure than those in other regions. The Company will therefore strengthen flood-risk prevention and management in the region to mitigate potential asset losses.

Based on the above assessment results, the Company has strengthened flood risk management across both its own operations and upstream supply chain. In our own operations, we incorporate the results of flood risk assessments into the overall consideration of future plant site selection and layout, and give priority to avoiding areas with medium or higher risk during the planning stages of new construction and production expansion projects. For existing production bases, the Company has also developed the Special Emergency Response Plan for Flood Prevention, Waterlogging Prevention and Typhoon Prevention, established a flood control emergency command center, and continuously strengthened flood control material reserves, drainage facility maintenance and emergency response mechanism development. Meanwhile, during the reporting period, the Company paid RMB 7,356.8 thousand in premiums for property all risks insurance, providing insurance coverage for its major production facilities and related assets and enhancing its ability to withstand asset-related risks. In the upstream supply chain, the Company adopts a multi-source procurement strategy and strengthens supplier climate risk assessments, safety stock management for key materials and alternative logistics route planning, thereby enhancing its ability to secure the supply of key raw materials and core components.

Note: 1.Estimated Impact Ratio to Non-Current Assets (PVaR) = Estimated Loss Value of Non-Current Assets/Total Value of Non-Current Assets.
2.The Report only considers the direct impact of flood disasters on non-current assets. Other factors that may affect the Company's financial performance, such as operational interruptions and supply chain disruptions, are not included in the scope of this report.

Estimated Flood-Risk Impact as a Percentage of Non-current Assets at the Company's Major Vehicle Production Bases(PVaR)¹



R2: Prolonged High Temperatures

Persistent and intense periods of high temperatures can affect enterprises in multiple ways. Employees working in or exposed to prolonged high-temperature environments face significantly increased health risks, while production equipment may experience efficiency losses due to the combined effects of high temperatures. As high-temperature weather persists, the Company will become increasingly reliant on cooling equipment and facilities, and operating costs associated with responding to high temperatures will continue to rise. In addition, persistent high temperatures may drive up regional electricity demand and overload the power grid, exposing the Company to the risks of power restrictions, staggered electricity consumption and even temporary power outages, thereby affecting production plans.

Based on Cooling Degree Days (CDD)¹ data from the World Bank database, the Company developed a model to forecast cooling-related electricity consumption. The assessment focused on the potential impact of persistent high temperatures on cooling-related electricity costs at the Company's major vehicle production bases and

office premises in 2030, 2040 and 2050. The scenario analysis indicates that, under the high-emission scenario (SSP5–RCP8.5), the current- emission scenario (SSP2–RCP4.5) and the low-emission scenario (SSP1–RCP1.9), the financial impact of cooling-related electricity costs would remain minor (representing less than 0.1% of the Company's profit before tax). At the same time, cooling-related electricity costs are projected to increase steadily over time. This indicates that, although the direct financial impact of prolonged heat on the Company is limited, it may generate persistent and long-term impacts on business operations. The Company therefore needs to continuously strengthen its heat-response measures to safeguard employee health and maintain productivity.

In response to the potential impacts of high-temperature weather on employee health and production operations, Chery Automobile continues to improve its high-temperature risk management measures. On the one hand, we have established temperature control requirements for workplaces, formulated targeted production

plans for high-temperature periods, and strengthened on-site health management and safety inspections. At the same time, we provide employees with heatstroke prevention supplies, high-temperature allowances and other support each year, providing supplementary protection for employees in coping with high temperatures during non-working hours. In 2025, the Company spent more than RMB10 million on high-temperature allowances and heatstroke prevention and cooling expenses. On the other hand, to ensure the continuity of production and operations, the Company reduces the impact of regional power restrictions or supply fluctuations by diversifying energy sources and optimizing production arrangements. Going forward, the Company will further explore more reliable high-temperature response and management solutions, such as building cooling systems and upgrades to energy-efficient cooling facilities, further optimize energy use efficiency under high-temperature conditions, and continuously enhance its capability to respond to high-temperature risks.



Note: 1.Cooling Degree Days (CDD): The cumulative sum of degrees by which daily average temperatures exceed 65° F/18.3°C , used as an indicator of energy demand for building cooling.
2.Impact Ratio of Cooling Electricity Costs to Profit Before Tax = Cooling Electricity Costs/Profit Before Tax.
3.Considering that electricity prices are affected by policy adjustments, market mechanisms, and other factors, future electricity price fluctuations are highly uncertain. This estimation uniformly uses regional average electricity prices for 2025 across all assessment time points.
4.This report only quantifies the impacts related to cooling costs, and does not include other factors that may affect the company's financial performance, such as equipment failure, production suspension, or power curtailment losses caused by high temperatures.

Transition Risks and Climate Opportunities

We develop comparative scenarios based on publicly available climate scenarios and key assumptions released by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and the International Energy Agency (IEA) to assess the potential business and financial impacts of climate-related transition risks and associated opportunities.

	NGFS Climate Scenarios		
Scenario	Low-Emission Scenario • Net Zero 2050 • Delayed Transition • Below 2°C	Current-Emission Scenario Nationally Determined Contributions (NDCs)	High-Emission Scenario Current Policies
Description	Countries and regions worldwide roll out ambitious climate actions including setting carbon reduction targets, levying carbon taxes, and introducing energy transition policies, to limit the global average temperature rise to below 2°C , with efforts to cap it at 1.5°C .	Countries and regions worldwide implement existing climate policies. Some set and execute emission reduction targets, resulting in a moderate decline in greenhouse gas emissions.	Countries and regions worldwide maintain existing climate policies and actions. Greenhouse gas emissions continue to grow through 2080, and the global average temperature keeps increasing.
Estimated Warming by the End of the Century	<2°C 2°C ~3°C >3°C		
Source	Network of Central Banks and Supervisors for Greening the Financial System (NGFS)		

	IEA Climate Scenarios		
Scenario	Low-Emission Scenario Net Zero Emissions by 2050 Scenario (NZE)	Current-Emission Scenario Announced Pledges Scenario (APS)	High-Emission Scenario IEA Stated Policies Scenario (STEPS)
Description	Guided by the goal of limiting global average temperature rise to within 1.5°C , this scenario outlines the technological pathway for the global energy sector to achieve net-zero emissions by 2050 (including clean energy electrification, energy efficiency improvements, low-carbon fuel deployment, and methane abatement).	All climate- and energy-related targets proposed by countries and regions worldwide (such as Nationally Determined Contributions, long-term net-zero emission commitments, and key sector transition plans) are delivered on schedule and in full.	Based on energy and climate policies already implemented or explicitly announced by countries and regions worldwide, this scenario reflects only the trajectory of the global energy system under the current policy framework, without assuming that all policy aspirational targets will be achieved.
Estimated Warming by the End of the Century	Approximately 1.5°C	Approximately 1.7°C	Approximately 2.4°C
Source	International Energy Agency (IEA)		

Note: Due to differences between the NGFS and the IEA in terms of research objectives, model settings, and key assumptions regarding climate scenarios, the temperature rise projections for scenarios of the same type may vary.

R3: Tightened Climate-Related Regulatory and Compliance Requirements

As China continues to advance its carbon emissions management policies, and climate-related regulatory requirements in overseas markets become increasingly stringent—including the EU Regulation on CO₂ Emission Performance Standards for New Passenger Cars and New Light Commercial Vehicles, the EU Carbon Border Adjustment Mechanism (CBAM) Regulation, and the EU Batteries Regulation—automotive companies face increasingly demanding climate compliance requirements. These regulatory developments require the Company to increase management investment in carbon management systems and data capabilities. Meanwhile, as China’s national emissions trading scheme has expanded beyond the power generation sector to key upstream automotive industries such as steel and aluminum, and the EU CBAM has imposed cross-border carbon costs on carbon-intensive imports such as steel and aluminum, the emissions reduction, compliance and cross-border carbon costs borne by upstream suppliers may gradually be passed through to the prices of raw materials and components, thereby increasing the procurement and production costs of vehicle manufacturers. Against this backdrop, carbon prices represent a key variable influencing cost pass-through across the value chain. The Company therefore considers carbon price levels and their projected trends an important reference for assessing cost transmission and operational impacts under different climate scenarios.

Under the high-emissions scenario (NGFS Current Policies) and the current-commitments scenario (NGFS NDCs), climate policies and carbon pricing mechanisms advance at a relatively moderate pace, with carbon prices remaining generally low and rising only modestly over the medium to long term. Under these scenarios, regulatory requirements are strengthened progressively, with impacts primarily arising from the development of compliance systems, carbon data management and supply chain collaboration. Given relatively stable carbon prices and the limited expansion in the scope of applicable regulatory requirements, the additional carbon costs and compliance expenditure incurred by upstream suppliers are expected to have a limited pass-through effect on the procurement prices of energy, raw materials and components. The overall impact on operations is therefore expected to remain relatively limited.

Under the low-emissions scenario (NGFS Below 2°C), global emissions-reduction constraints intensify, the low-carbon transition accelerates significantly, and carbon prices rise substantially over the medium to long term, increasing carbon cost pressures across the automotive value chain. Countries may also further expand the coverage of carbon pricing mechanisms and low-carbon market access requirements, while imposing more stringent requirements relating to product carbon footprints, the use of circular materials, battery lifecycle management and supply chain decarbonization. Failure to adapt promptly to these policies and market developments could expose the Company to risks including higher carbon costs, restricted market access for products, increased compliance expenditure and weakened export competitiveness.



Chery Auto continuously monitors and analyses climate policies, carbon pricing mechanisms and market access requirements in China and overseas markets. The Company has established management mechanisms for climate compliance, carbon emissions and product carbon footprints, and is progressively extending these mechanisms to supply chain carbon data management and collaborative decarbonization with relevant stakeholders. In addition, Chery Auto advances green manufacturing, optimizes its energy mix, expands the use of green electricity, and enhances its overseas localized production and procurement footprint. These measures help mitigate the potential impacts of carbon costs and cross-border compliance requirements on its operations and strengthen its ability to adapt to evolving climate-related regulations

R4: Low-Carbon Products and Technology Iteration

As the global response to climate change accelerates, emission reduction requirements in the transportation sector continue to tighten, placing higher demands on the automotive industry in low-carbon technology areas, including product energy consumption performance, power battery performance, lightweight design, and the application of circular materials. According to projections from the IEA Global EV Outlook, under the high-emission scenario (IEA STEPS), conventional ICE vehicles will still account for nearly 60% of the market share by 2030. The global electrification transition will proceed at a relatively steady pace, without a significant acceleration in the penetration of new energy technologies. Under this scenario, Chery Auto can leverage its diversified technology roadmap and product portfolio covering internal combustion, hybrid, and battery electric

vehicles to meet the differentiated demands of various regional markets and maintain relatively stable market share and operating revenue performance.

Under the low-emission scenario (IEA NZE), the transition towards net-zero emissions would be accompanied by more stringent carbon reduction policies globally. The automotive industry will undergo a comprehensive transition to electrification, and demand for conventional ICE vehicles will decline significantly. Meanwhile, with the introduction of policies and regulations related to automotive technology and material use such as the EU's revised End-of-Life Vehicles (ELV) Regulation and the EU Batteries Regulation, the market has paid growing attention to the proportion of recycled material usage, product recyclability, and full life-cycle environmental performance. If the Company lacks sufficient technological reserves in areas such as battery technology, circular material application, and low-carbon product design, it may fail to meet regulatory requirements in relevant markets, thereby adversely affecting product sales and revenue. In response to this trend, Chery Auto has proactively advanced the development and application of circular materials, including recycled aluminum, recycled steel and bio-based materials, and is accelerating preliminary R&D and technical reserves for next-generation battery technologies represented by solid-state batteries. At the same time, the Company has been improving product energy efficiency through vehicle lightweighting, powertrain efficiency optimization and low-drag design, thereby further strengthening its technological foundation. These efforts help keep the risks associated with the iteration of low-carbon products and technology under control, while also enabling Chery Auto to seize the resulting green opportunities and take a proactive position in the industry’s low-carbon transition.

R5: Shifts in Consumer Demand

As global consumer preferences continue shifting toward green concepts, the automotive consumer market is accelerating its transition to electrification and low-carbon development. Under the current-emission scenario (IEA APS), global transport electrification policies are expected to be implemented more comprehensively. Countries including Germany, Spain, and France have rolled out incentive policies such as new energy vehicle (NEV) subsidies, tax preferences, and charging and other energy replenishment infrastructure construction, which will further strengthen the economic advantages and convenience of NEVs in consumer purchasing decisions. If the Company's NEV products fail to meet consumers' core mobility demands in terms of driving range, charging efficiency, and low-carbon attributes, it may result in order losses, declining market share, and reduced operating revenue.

Under the low-emission scenario (IEA NZE), the IEA Global EV Outlook projects that global EV sales will account for close

to 95% of total new car sales by 2035. In a landscape of full EV penetration, the core of industry competition will extend beyond standalone product performance to encompass integrated capabilities in intelligent driving, in-vehicle interaction, digital experience, and mobility service ecosystems. If the Company fails to build core competitiveness in product intelligence and scenario-based user experience, it may suffer from weakening customer loyalty and customer attrition, leading to risks of market share loss, declining orders, and reduced operating revenue.

Overall, continuously gaining in-depth insights into and keeping a close grasp of consumer demand is the key to maintaining competitive advantages. In this regard, Chery Auto, on the one hand, is actively building technological capabilities aligned with future industry development trends, and continues to pursue technological innovation in key areas, including three-electric technologies (battery, electric motor, and electric

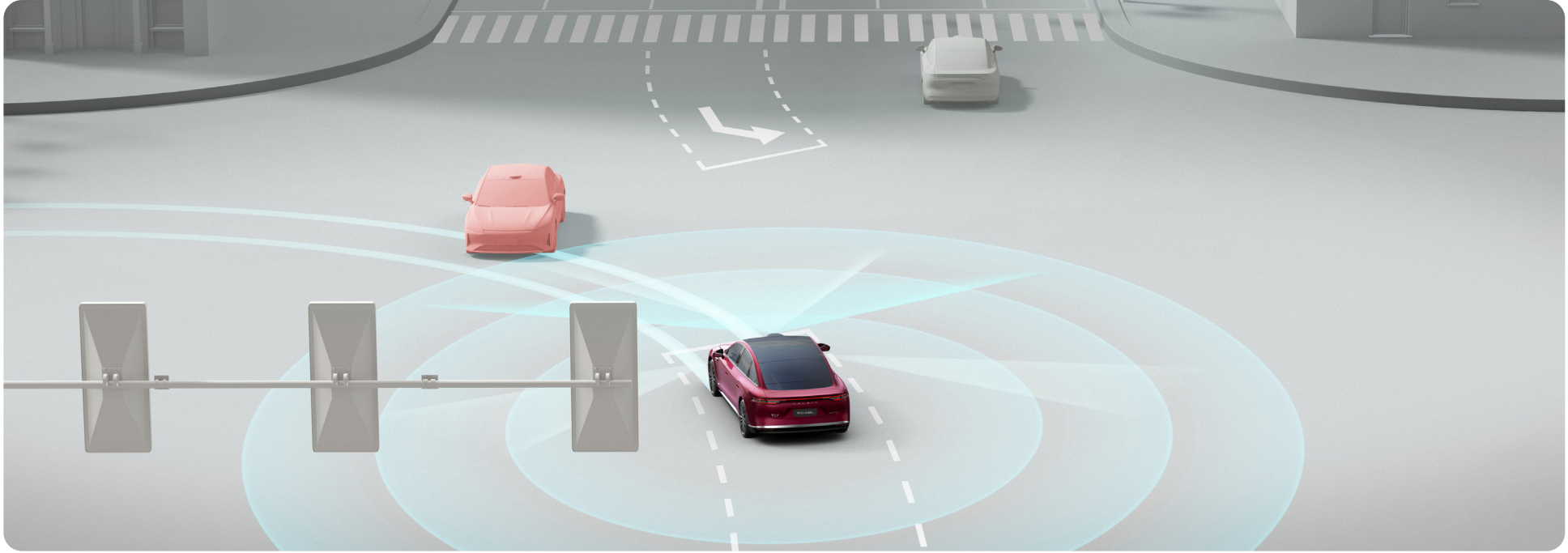
control), in-vehicle operating systems, and intelligent systems. By continuously enhancing product performance, ease of use, and environmental friendliness, the Company addresses consumer demand for green products. On the other hand, it has long focused on consumer insights and user ecology, and continuously gathers user feedback on product functionality, usage scenarios, intelligent experience, and service models through channels such as user research and co-creation initiatives, and promptly translates these insights into product definition and R&D optimization priorities. Meanwhile, leveraging the synergistic advantages of our multi-brand development framework, the full-range NEV product portfolio covering multiple segments developed by Chery Auto also helps cater to diversified user needs and strengthen overall market competitiveness and brand influence.

R6: Raw Material Price Fluctuation

As the automotive industry transitions toward low-carbon development and electrification, the increasing penetration of NEV models has further enhanced the importance of power batteries. Key metal resources required for power batteries including lithium, nickel, cobalt, and copper are subject to shifting supply-demand dynamics driven by factors such as global climate policies and clean energy technology advancement, which may in turn trigger market price volatility.

According to the IEA Global Critical Minerals Outlook, the share of lithium and nickel demand attributable to clean energy technologies will continue to rise under the high-emission scenario (IEA STEPS), the current-emission scenario (IEA APS), and the low-emission scenario (IEA NZE). While the overall demand growth for copper and cobalt remains relatively modest, over 30% of demand for both metals comes from clean technologies. Due to constrained resource supply, prices of relevant metal raw materials may experience periodic increases, and such cost increases may be transmitted to the Company through higher procurement prices for battery cells, battery packs, and related components, thereby increasing procurement cost pressures.

Chery Auto keeps a close eye on the risk of raw material price fluctuations, and continuously monitors supply-demand dynamics, price trends, and external policy changes in key raw material markets. The Company mitigates uncertainty by optimizing supplier structures, diversifying procurement channels, and strengthening long-term partnership arrangements. Over the long term, to mitigate the potential financial impacts of price volatility in key raw materials, the Company continues to enhance resource efficiency while diversifying its material portfolio. In the battery technology segment, the Company has established a diversified portfolio spanning lithium iron phosphate, ternary lithium, sodium-ion and all-solid-state battery technologies. It is also advancing the development of high-capacity energy storage cells and long-duration energy storage solutions to further strengthen supply chain resilience and technological adaptability.



R7: Climate-Related Reputation Risk

Climate transition is a systemic transformation involving technology and resources. Inadequate climate management decisions, ineffective climate actions, or damage to stakeholders' interests during the Company's climate transition may trigger negative comments and lead to climate-related reputation risks. Based on unemployment rate projections for major markets in China and Europe as outlined in the NGFS Long-Term Scenarios for Central Banks and Supervisors, the Company conducts exploratory assessments of the relevant reputation risks that may arise during the just transition process. Under the high-emission scenario (NGFS Current Policies), Europe's unemployment rate fluctuates only marginally against the baseline, while China's unemployment rate follows an overall sustained downward trajectory, indicating a relatively stable employment environment. As the low-carbon transition progresses at a relatively moderate pace, industrial restructuring is also expected to proceed gradually. Across the automotive value chain, companies and other upstream and downstream participants would have relatively sufficient time to adapt to transition-related changes. Consequently, short-term impacts on existing job structures and employment stability would be limited, and the Company's just transition-related reputational risk arising from employment pressures would remain relatively low.

In contrast, under the low-emission scenario (NGFS Delayed Transition), Europe's unemployment rate fluctuates far more significantly against the baseline, while China's unemployment rate, though generally remaining below the baseline, experiences wider fluctuations, heightening employment environment uncertainty and structural adjustment pressures. Under this scenario, the low-carbon transition accelerates significantly, potentially resulting in more concentrated industrial restructuring. Across the automotive value chain, job-related skill requirements and employment structures may change substantially within a relatively short period, placing greater demands on employee redeployment, upskilling and employment stability across upstream and downstream sectors. If the Company fails to provide timely skills training and job transition support, stakeholders—including employees, business partners and local communities—may raise concerns regarding the fairness of the transition and the Company's fulfilment of its corporate responsibilities. This could trigger negative perceptions of an "unjust transition" and increase the Company's costs associated with stakeholder engagement, local employment arrangements and workforce transition management.

Chery Auto continuously monitors reputation risks related to just transition and other relevant areas. It promptly identifies potential negative perceptions that may arise during the low-carbon transition by tracking changes in the employment environment, job structure and stakeholder concerns, and improves targeted communication and management measures. In the long term, the Company strengthens employee upskilling and career transition support to continuously enhance employees' ability to adapt to evolving industry trends and job requirements. The Company also reinforces coordinated engagement with suppliers, dealers, local communities and other stakeholders, and responds promptly to their concerns regarding employment stability, business adjustments and transition-related impacts. These efforts help mitigate reputational risks arising from inadequate management of transition impacts and foster stakeholders' continued understanding and recognition of the Company's low-carbon transition.



O1: Circular Economy

According to the seventh edition of the Global Environmental Outlook published by the United Nations Environment Programme, as of 2024, 75 countries worldwide had released circular economy roadmaps, encompassing nearly 3,000 circular economy policies across 17 industries. As global circular economy policies are implemented at an accelerated pace, circularity is becoming a core priority in the automotive industry's green transition. Areas such as component remanufacturing, traction battery circularity, and metal material recovery and recycling are unlocking significant emissions reduction potential and commercial value.

Under the high-emission scenario (IEA STEPS), the number of conventional internal combustion engine vehicles in use remains relatively high, providing development opportunities for waste mineral oil recycling and used component remanufacturing. Grand View Research projects that the global market for re-refined base oil is expected to grow at a compound annual growth rate (CAGR) of 5.0% from 2023 to 2030. As technologies for refining, purification, and high-value utilization continue to mature, the recycling of waste mineral oil can help the Company reduce end-of-pipe disposal costs and drive new business revenue growth. Meanwhile, the Global Growth Insights forecasts that the value of the global automotive component remanufacturing market will expand further to USD 42.04 billion by 2035, indicating strong growth potential for the component remanufacturing sector. If the Company achieves breakthroughs in remanufacturing technologies for relevant components and builds out its recovery network, this could create opportunities for revenue growth.

Under the low-emission scenario (IEA NZE), the penetration rate of NEVs will continue to rise, and the number of end-of-life EVs will increase accordingly.

The IEA EV Battery Supply Chain Sustainability projects that global demand for batteries will surge, increasing by approximately 12 times by 2035 compared with 2023 levels. The volume of retired batteries will also enter a period of rapid growth after 2035. Under this scenario, power battery recycling will become a key growth driver for the automotive industry. If the Company recovers key metal materials such as lithium, cobalt, nickel, and manganese from retired batteries and re-integrates them into battery manufacturing, it will reduce battery manufacturing costs, enhance product price competitiveness, and increase operating revenue. Furthermore, effective deployment in battery circularity applications such as energy storage systems, low-speed EVs, and backup power for base stations could also generate new revenue streams.

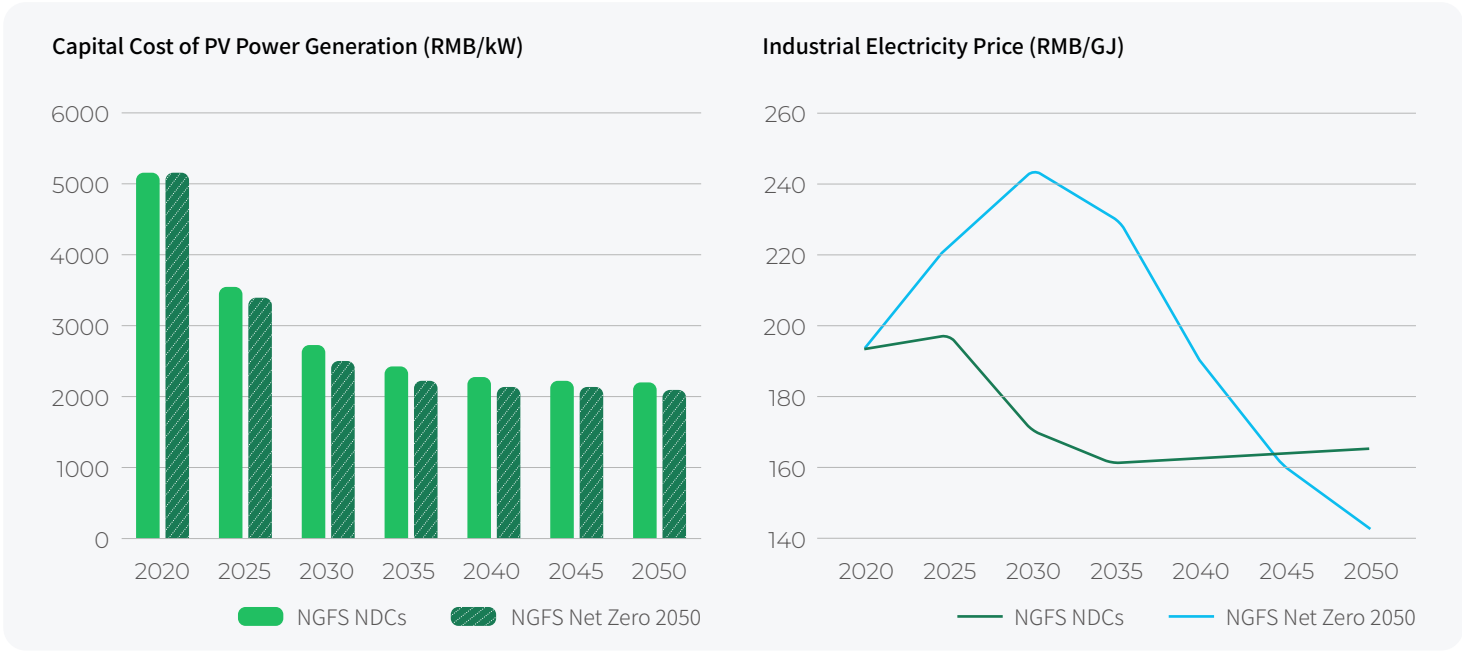
Chery Auto actively seizes the development opportunities presented by the circular economy, continuously expanding its core business presence in areas such as end-of-life vehicle and used component recycling, power battery recovery, and waste oil regeneration. Additionally, the Company is progressively establishing a resource circularity system covering recovery, remanufacturing, and recycling, thereby continuously enhancing the utilization of recycled resources and the synergistic value of its operations. Furthermore, the Company closely monitors developments in precious metal recovery, the use of recycled materials and emerging circular business models. It explores new business opportunities that complement its core automotive operations, thereby strengthening its long-term ability to capture opportunities arising from the circular economy.

O2: Renewable Energy Adoption

Against the backdrop of the accelerating low-carbon transition of the global energy mix, renewable energy adoption has increasingly become a critical pathway for manufacturing enterprises to enhance energy security, reduce operating costs, and strengthen low-carbon competitiveness. Under the current-emission scenario (NGFS NDCs), the energy transition and renewable energy substitution are accelerating significantly, with the capital cost of photovoltaic (PV) power generation in China declining further. Meanwhile, green power market mechanisms and long-term Power Purchase Agreement (PPA) frameworks are gradually maturing, thus enhancing enterprises' access to green power and reducing utilization costs. Under this scenario, the Company's stable green power procurement and distributed PV deployment can cut purchased electricity expenditure on the production side, thereby reducing operating costs and delivering a positive boost to its profit level and operating cash flow.

Under the low-emission scenario (NGFS Net Zero 2050), high carbon prices and the energy transition will drive a rapid rise in industrial electricity prices in the early stage of the transition. This will significantly boost enterprises' demand for stable and low-cost energy, thereby accelerating green power substitution and distributed energy development. Meanwhile, the continuous decline in the capital costs of PV power generation will further improve the economic viability of enterprises' self-built PV projects, reducing their reliance on purchased power.

Chery Auto continues to expand its clean energy portfolio through solar photovoltaic power, energy storage and green electricity procurement, while enhancing the stability of its renewable energy supply through long-term cooperation arrangements. The Company promotes the integration of renewable energy and smart manufacturing to reduce carbon emissions from production, capture opportunities arising from the low-carbon energy transition, and strengthen its green competitiveness in markets such as Europe, where product carbon footprints and low-carbon supply chains are increasingly important.



O3: Growing Demand for Green Mobility

According to the IEA Global Energy Review, global EV sales reached 21 million units in 2025 (a year-on-year increase of over 20%), positioning green mobility as a significant opportunity for the automotive industry. The IEA Global EV Outlook projects that under the high-emission scenario (IEA STEPS), global EV sales are expected to reach approximately 45 million units by 2030, accounting for around 40% of total global new vehicle sales. While the trajectory toward electrification in the automotive industry is well established, the overall pace of adoption remains relatively moderate. Meanwhile, the traditional ICE vehicle market will gradually contract as electrification advances, though strong demand for ICE vehicles persists in some emerging markets. As internal combustion engine vehicles and new energy vehicles continue to develop in parallel across the automotive industry, the ability to address regional differences in powertrain preferences, continuously improve the energy efficiency of internal combustion engine vehicles and expand the supply of new energy vehicles will help stabilise market share and support steady revenue growth.

Under the current-emission scenario (IEA APS), the global EV sales share is projected to rise to roughly 45% by 2030, with the NEV market continuing to expand and consumer demand becoming increasingly diversified, personalized, and differentiated. Under this scenario, automotive companies with diversified technology pathways and differentiated product portfolios will be better positioned to serve a broader range of consumers and increase new energy vehicle sales through product mix optimization. Meanwhile, as markets such as Europe place increasing emphasis on product carbon footprints and low-carbon attributes, new energy vehicle models with recognized green or low-carbon certifications, transparent carbon footprint information and international recognition will gain a stronger competitive advantage.

Under the low-emission scenario (IEA NZE), the global EV sales share is projected to approach 95% by 2035, ushering the automotive industry into a new development phase of deep and near-complete electrification. As electrification deepens, the automotive industry's business model will also accelerate its shift from standalone vehicle sales toward an integrated "product + service" model. Under this scenario, leveraging the Company's integrated value chain capabilities in the new energy sector could diversify revenue streams and enhance profitability.

Chery Auto has strategically positioned itself to capture opportunities arising from growing demand for green mobility. The Company advances

its coordinated internal combustion engine and electric vehicle strategy and leverages its multi-brand portfolio and diversified technology capabilities across hybrid, range-extended electric, battery electric and hydrogen-powered vehicles to provide differentiated green mobility solutions for a wide range of consumers. Meanwhile, the Company also continues to pursue green and low-carbon certifications for new energy vehicles and improve the energy efficiency of internal combustion engine models, thereby strengthening market recognition of its products' low-carbon attributes. In response to the automotive industry's accelerating electrification, the Company is actively exploring complementary services, including charging and battery-swapping solutions, vehicle-to-grid integration and coordinated energy storage, to enhance the conversion of green mobility opportunities into market share, business revenue and brand value.



O4: Green Financing Support

Against the backdrop of a deepening global low-carbon transition and an increasingly robust sustainable finance system, green financing, as a key institutional force supporting enterprise transformation and upgrading, is emerging as a new engine driving industrial decarbonization and value creation. Under the current-emission scenario (NGFS NDCs), central bank policy rates and long-term interest rates in both China and Europe deviate moderately above their respective baseline levels, particularly around 2030, indicating that the low-carbon transition may increase pressure on companies' external financing costs. Under this scenario, policy support and demand for green asset allocation may enable financing instruments such as green bonds and green loans to provide additional funding channels for projects that meet green finance standards. Projects with clearly defined environmental benefits, transparent use of proceeds and comprehensive information disclosure may benefit from improved access to financing or more favorable pricing. For Chery Auto, green financing can complement conventional financing channels, helping diversify funding sources and, to some extent, reduce financing costs amid a moderately tightening financing environment.

Under the low-emissions scenario (NGFS Net Zero 2050), central bank policy rates and long-term interest rates in China and Europe show more pronounced positive deviations from their respective baseline levels around 2030, indicating that a rapid low-carbon transition may result in a higher overall interest rate environment and greater external financing pressures for companies. Under this scenario, financial resources may increasingly be directed towards projects that meet green finance standards and deliver clearly defined emissions reduction benefits. Companies with a strong pipeline of high-quality green projects may gain access to broader financial support, creating favourable conditions for their low-carbon transition and long-term development.

Chery Auto seeks to capture the long-term development opportunities arising from green financing support amid the global low-carbon transition. The Company continues to advance low-carbon projects, including green manufacturing and energy-efficiency improvements, and flexibly deploys green bonds, green loans and other instruments based on project timelines and funding needs. These efforts help diversify medium- and long-term funding sources, optimize the Company's financing structure and costs, and provide sustained financial support for its low-carbon transition.

Establishing a Global Climate Resilience System

In response to a series of challenges, including the increasing frequency of extreme weather events globally, tightening climate-related regulations and growing supply chain volatility, climate resilience has become essential for ensuring stable and resilient business development. Chery Auto has developed a climate resilience management framework that extends outward from its core operations. At the operational level, the Company continuously monitors physical climate risks and strengthens the preparedness of its global operational network for extreme weather events and long-term climate change; at the policy level, it promptly identifies changes in regulatory and operating requirements across different markets and makes full preparations in terms of product development, supply chain adjustment and overseas business deployment; and at the product level, it develops and launches a diversified portfolio of climate-adaptive products, continuously strengthening the green competitiveness of its products and services. In line with the development of its global business and changes in the external environment, Chery Auto is accelerating efforts to refine its climate risk insight capabilities and cross-business collaboration mechanisms, thereby strengthening the adaptive capacity of its global operations to climate change.

Assessing Impacts of Climate Change on Global Operations

As the Company continues to expand its global business footprint, the impacts of climate change are no longer confined to energy conservation, emissions reduction and environmental management, but are increasingly extending into core business activities, including production and operations, supply chain organization, product development and overseas market access. Climate change primarily affects the Company's global business through two pathways. First, extreme weather events and long-term changes in climate conditions may directly disrupt the continuity of global operations. Such impacts are often not confined to a single production site, but may propagate through energy supply, public infrastructure, transportation and logistics, and upstream and downstream suppliers, creating cascading effects across the Company's global operating network. Second, the continued evolution of climate policies across countries and regions is driving structural changes in market access requirements and competitive rules for the automotive industry. Regulatory focus is progressively extending beyond emissions from companies' own operations to the full product lifecycle, introducing systematic requirements relating to the low-carbon performance of products, supply chain decarbonization capabilities and value chain carbon data. This means that climate policies have become material operating conditions directly affecting product design, material selection, supply chain organization, production methods and overseas market access.

With respect to physical risks, we recognize that climate characteristics and levels of climate risk exposure vary significantly across regions worldwide, while the climate system and its associated physical impacts continue to evolve dynamically. Given the Company's global footprint of production bases, R&D facilities, logistics networks and supply chains, we need to continuously monitor and assess risk exposure at key operating locations and critical supply chain nodes, with a view to keeping the relevant physical impacts within acceptable levels. To this end, the Company is proactively building up its capabilities for identifying and analyzing physical climate risks. Leveraging global climate databases and forecasting models, we conduct periodic monitoring of physical climate risks and use the resulting analysis to enhance extreme weather early-warning systems, emergency response arrangements, asset deployment arrangements and production continuity measures.

With respect to transition risks, a unified global climate policy framework has yet to emerge. Different markets have developed varying regulatory priorities and technical standards based on their respective industrial foundations and emissions reduction targets. As a result, the same product and its supply chain may need to comply with multiple sets of requirements, requiring companies to make advance adjustments to product solutions, material selection and production readiness.

For companies operating globally, accurately interpreting regulatory requirements and promptly determining when and how policy changes may affect specific markets, products and business activities have therefore become critical to global operations and business deployment. Against this backdrop, the Company continues to enhance its global climate policy identification and response mechanism, tracking policy and regulatory developments in China, the European Union and other key markets, and assessing the scope of application, implementation timelines and potential business impacts of relevant regulations in light of the Company's business footprint. During the reporting period, the Company focused on policies closely related to the automotive industry's low-carbon transition, including the EU Batteries Regulation, the EU Carbon Border Adjustment Mechanism (CBAM) Regulation, and the EU Regulation on CO₂ Emission Performance Standards for New Passenger Cars and New Light Commercial Vehicles. The EU Batteries Regulation further strengthens requirements relating to the carbon footprint, raw material management and full lifecycle management of power batteries; the EU Regulation on CO₂ Emission Performance Standards for New Passenger Cars and New Light Commercial Vehicles directly affect product mix and powertrain technology pathways in the European market; and although CBAM currently primarily covers upstream materials such as steel and aluminum, the

associated carbon costs may gradually be passed through the supply chain to automotive companies. For key policies such as these that may have a material impact on product market access or business activities, the Company organizes relevant functional and business departments to conduct dedicated regulatory reviews and further translates external regulatory requirements into specific tasks, responsibilities and timelines covering product development, raw material selection, supplier management and production readiness, thereby strengthening the adaptability of its business management model.

During the reporting period, the Company did not engage in any climate lobbying activities aimed at influencing the formulation of climate-related policies, regulations or regulatory requirements. We will continue to monitor climate policies and regulatory developments both domestically and internationally, and participate in industry exchanges in a compliant, transparent and responsible manner, thereby supporting the low-carbon transition and sustainable development of the automotive industry.

Building a Climate Resilience Operational Mechanism

To effectively address the multidimensional impacts of climate change, Chery Auto is accelerating the development of a climate transition-adaptive management mechanism. By focusing on key management processes, including climate target setting, business development planning, operational resilience assurance and collaborative value chain governance, the Company is deepening its climate resilience management to enhance transition effectiveness and strengthen its climate adaptation capacity.

Target setting and progress tracking

Through a target-driven approach, the Company integrates low-carbon requirements throughout the entire process of strategic planning, business management and operational execution. Taking into account the implementation timelines of climate-related regulations, we assess their potential impacts on market competition, product planning, material selection, production methods and supply chain decarbonization capabilities, and use these assessments to establish reasonable and achievable climate targets. The Company has established a phased and categorized emission reduction target system and incorporated emission reduction performance into departmental performance evaluations. Through regular target tracking and progress monitoring, we strengthen accountability and target delivery, while progressively embedding climate-related requirements into key operational processes, including product development, procurement management, production readiness and product launches.

Just Transition and inclusive development

The Company is attentive to the development rights and interests of employees and partners throughout the low-carbon transition. Through skills training, job support and professional capacity building, we support stakeholders in strengthening their climate adaptation capabilities, contributing to a smoother, more orderly and more inclusive green transition of the industry.

Business layout and project investment

For major project investments, including production base expansion, overseas business deployment and supply chain configuration, the Company places emphasis on assessing climate-related risks in prospective locations and progressively incorporates factors such as local exposure to climate hazards, energy infrastructure conditions, policy stability and logistics continuity into its overall assessment. This enables the Company to optimize its business footprint and enhance operational resilience. Meanwhile, the Company has been developing a pilot internal carbon pricing mechanism, applying a shadow price to assess the impact of carbon emission costs on the economics of projects involving low-carbon product technologies, production facility construction and energy-efficiency improvements, thereby supporting investment decision-making and actively directing resources toward low-carbon technologies and green solutions. As of the issuance date of this Report, the Company has applied a carbon shadow price to vehicle manufacturing scenarios, covering Scope 1 and Scope 2 emissions, to quantify the monetary value of project-level emission reduction outcomes and assess the corresponding financial impacts of carbon reduction efforts.

Climate disaster monitoring and response

The Company continues to advance climate risk management from post-event emergency response toward proactive risk identification, contingency planning and operational safeguards. Leveraging the weather alert management function within the integrated safety and environmental protection platform, the Company receives timely early warnings on extreme weather and proactively conducts risk assessment and emergency preparedness based on the alert level and potential impact. To address extreme weather events such as high temperatures, heavy rainfall, waterlogging and typhoons, we have formulated a series of management policies, including the Emergency Preparedness and Special Response Plan for Heatstroke Prevention, the Special Emergency Plan for Flood, Waterlogging and Typhoon Prevention, and the Emergency Preparedness and Response Control Procedures. These measures enable us to continuously improve our emergency management mechanisms for extreme weather events and strengthen our capabilities in prevention, response, and mitigation of climate-related incidents.

Furthermore, the Company further translates meteorological warnings into on-site prevention and control measures. In response to high-temperature conditions, the Company adjusts working hours and work intensity in a reasonable manner based on the warning level and actual production operations. It also strengthens ventilation and cooling at production sites, enhances inspections of key equipment, provides heat-prevention and cooling supplies, and monitors employees' health conditions to reduce the impact of high temperatures on personnel safety, equipment operation, and production efficiency. In response to rainstorms, flooding, and typhoons, the Company strengthens the inspection and maintenance of drainage systems, roof facilities, and other key areas within its premises. It also prepares flood-control supplies, such as sandbags and water-pumping and drainage equipment, in advance, and takes timely measures—including suspension of work or production and equipment protection—based on changing weather conditions.

To address cascading risks arising from climate change, including supply volatility and regional logistics disruptions, the Company takes a multidimensional approach encompassing supply source diversification, procurement strategies and supply chain climate risk management. Through these measures, we strengthen the security of critical materials and core resources, thereby safeguarding supply security and business continuity.

Diversified deployment strategy

For critical components, materials, and core resources, we continuously advance the diversification of supply sources to reduce reliance on any single supplier or region, thereby enhancing alternative supply capacity and emergency response readiness.

Localized procurement strategy

We actively implement localized procurement strategies for key markets and critical product categories to reduce supply disruption risks caused by extreme weather or regional logistics disruptions, thereby optimizing supply chain response efficiency and resource allocation effectiveness.

Supplier risk management

We incorporate climate hazard exposure, emergency recovery capacity, and carbon management capability into our assessment framework for key suppliers and conduct tiered management and risk identification for critical suppliers to strengthen the overall resilience of the supply chain.

Note: The Company has tentatively set the internal carbon price at RMB 90/tCO₂e, based on the annual average price of Chinese Emission Allowances (CEA) in the national carbon emissions trading market. This price will be adjusted in a timely manner according to market and policy changes. At the same time, we will actively explore feasible pathways to extend internal carbon pricing to the supply chain, synergize with the existing green procurement system, and further promote the green transformation of the supply chain.

Advancing Energy System Resilience

Against the backdrop of increasing regional energy supply volatility and evolving policy environments driven by intensifying climate change, ensuring the security and stability of energy supply has become critical to maintaining production continuity and strengthening operational resilience. Taking a comprehensive view across all energy types, the Company systematically extends its operational resilience to the two core areas of electricity and thermal energy. Focusing on three priorities—"improving efficiency and reducing demand, diversifying and complementing energy sources, and promoting cascading energy utilization"—the Company advances the adaptive upgrading and capability development of its energy system in a coordinated manner.

In terms of energy efficiency improvement and demand-side management, the Company focuses on reducing energy consumption intensity per unit of output and continuously promotes efficiency upgrades across production processes and major energy-consuming systems. For electricity, we focus on improving the energy efficiency of general utility systems and critical process equipment to reduce non-essential electricity demand at source. For thermal energy, we focus on optimizing energy efficiency in high-temperature processes and reducing heat losses. Through systematic energy efficiency improvements, the Company effectively reduces its dependence on additional energy supply without compromising production flexibility, establishing the first line of defense for overall energy security.

In terms of diversified energy supply and localized deployment, the Company promotes the scaled adoption of renewable and clean energy in accordance with the resource endowments and energy consumption structure of different production bases. On the electricity side, we actively develop local green power resources such as distributed photovoltaic and wind power, supported by energy storage facilities and smart microgrids, to enhance on-site power supply autonomy and emergency backup capabilities. At the same time, we closely monitor the commercialization progress of emerging technology pathways such as green hydrogen-based power generation and ammonia-fueled power generation, building forward-looking options for greater diversification of electricity sources. On the thermal energy side, we explore pathways to substitute conventional natural gas with low-carbon fuels such as biomass gas, progressively reducing the dependence of thermal energy supply on fossil fuels. By developing a localized energy supply system in which diversified electricity and thermal energy sources complement one another, the Company is better

positioned to adapt flexibly to external supply changes across different regions and production scenarios, thereby enhancing the autonomy and resilience of its energy supply.

In terms of cascading energy utilization and system coordination, the Company promotes the recovery and reuse of energy across different forms and utilization levels. Waste heat and residual energy generated during production are recovered and reused in pretreatment, heating and other heat-consuming processes, enabling the reuse of thermal energy across processes and systems. Meanwhile, the Company advances intelligent dispatch and coordination among photovoltaic generation, energy storage and production loads, leveraging industrial park microgrids to achieve a dynamic balance across energy sources, grids, loads and storage. This progressive energy architecture—"efficiency first, followed by supply diversification and energy recovery"—not only reduces

rigid dependence on external energy supply, but also improves the utilization efficiency of energy assets and the flexibility of the overall energy system across the entire chain.

Going forward, the Company will continue to enhance its resilience framework covering both electricity and thermal energy systems and further embed the energy transition into the core mechanisms safeguarding production and operations. Through coordinated efforts in demand reduction, supply diversification and energy recovery and utilization, we will progressively build an energy security network featuring adjustable supply sources, storable reserve capacity and controllable loads. This will strengthen the Company's ability to respond to long-term climate risks and short-term energy supply fluctuations, laying a solid foundation for operational resilience.





Enhancing Climate Adaptability of Products and Services

As extreme weather events such as high temperatures, extreme cold and heavy rainfall become more frequent, users are paying increasing attention to vehicle safety, reliability and durability under different climatic and complex environmental conditions, with particular emphasis on vehicle performance in scenarios such as prolonged exposure to high temperatures, cold starts and driving through water. Meanwhile, influenced by differences in low-carbon policy orientations, energy structures and vehicle-use environments across different regions globally, users exhibit certain regional differences in vehicle-use scenarios, performance preferences and purchasing decisions. In response, the Company identifies and analyzes the core needs of users in different regions for vehicle climate adaptability, low-carbon attributes and overall performance through market research, user surveys and other means.

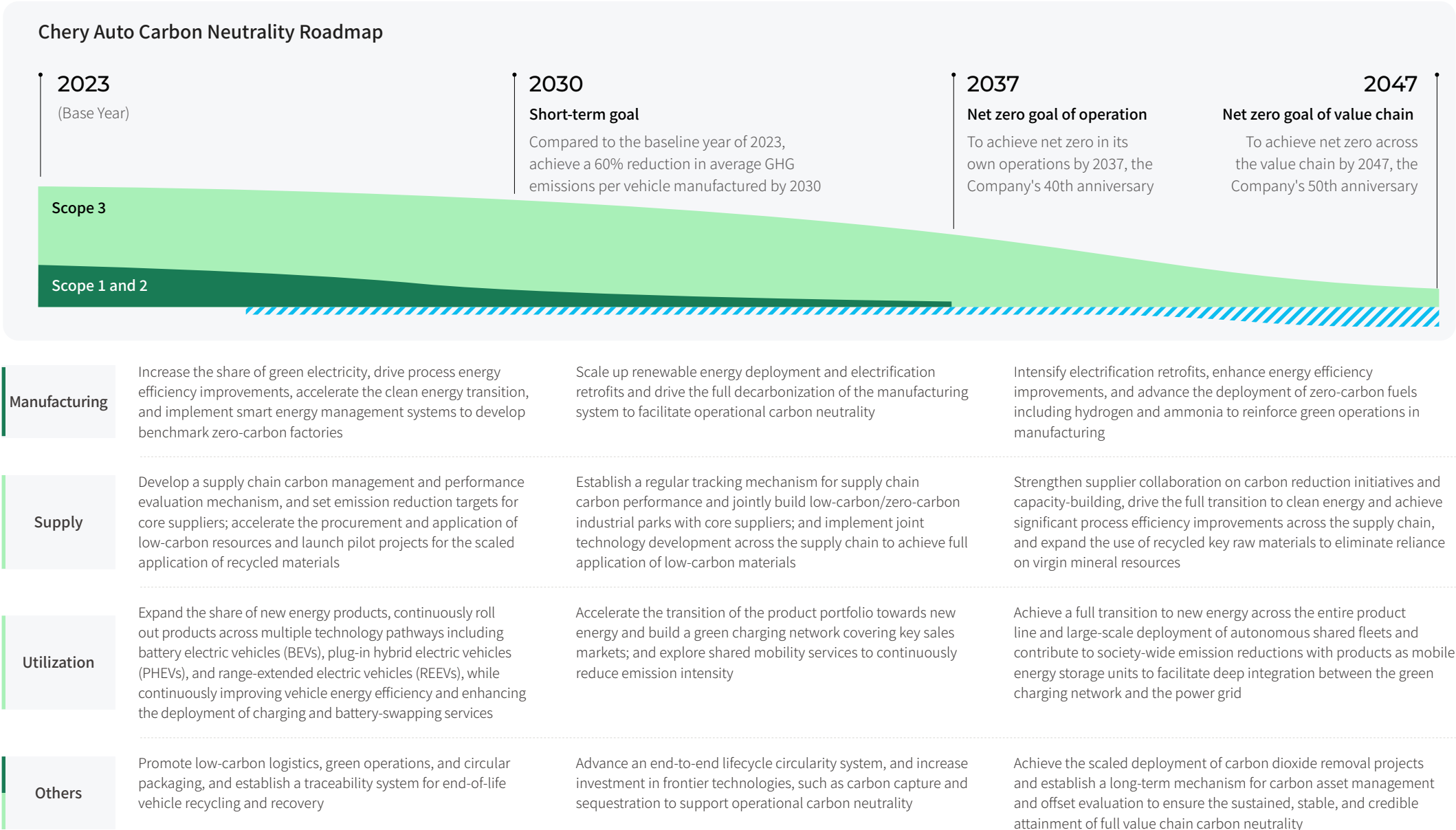
Based on observations of climate characteristics, vehicle-use scenarios and changes in user demand across different global markets, the Company incorporates climate adaptability considerations at an early stage of product development and enhances product reliability and durability under extreme climatic conditions such as high temperatures, extreme cold and heavy rainfall by optimizing material selection, improving design structures and refining production processes, thereby effectively safeguarding user travel safety and user experience. Meanwhile, we conduct multidimensional simulation tests on powertrain products, including high-temperature, water immersion, salt spray and corrosion tests, to comprehensively verify operational stability during use and strengthen product safety performance assurance. We also continuously optimize product energy utilization efficiency and overall performance, improve vehicle energy efficiency, and enrich our portfolio of high-efficiency and low-carbon products to better meet the diversified green mobility needs of users in different markets.

In addition, green and low-carbon regulations, standards and market requirements in the global automotive industry continue to evolve, higher requirements are being placed on enterprises in relation to product environmental performance management and information disclosure. The Company continues to monitor changes in relevant policies, regulations and standards, actively carries out green product certification, low-carbon label management and product carbon footprint accounting, and further enhances the transparency of product environmental information and green competitiveness. As of the issuance date of this Report, several models, including the TIGGO 7 C-DM, Fulwin A9/A9L, EXEED EXLANTIX ET, and EXEED VX have received low-carbon or green product certifications or awards.

Leading Value Chain Low-Carbon Transition

Carbon Neutrality Vision and Transition Pathway

Guided by the long-term goal of the Paris Agreement to limit the increase in global average temperature to 1.5°C above pre-industrial levels, Chery Auto focuses on key levers across manufacturing, supply chain, vehicle use and other operations and has established a clear, collaborative and efficient low-carbon transition system to enhance our decarbonization capabilities and green development performance across the entire value chain.



Driving Low-Carbon Transition of Manufacturing System

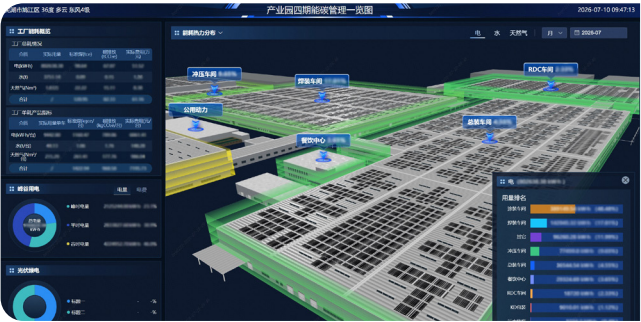
Guided by the near-term emission reduction targets, the Company leverages intelligent technologies to enhance refined energy management and promotes the green and low-carbon transition of manufacturing operations through energy structure optimization, systematic energy efficiency improvement and zero-carbon factory development.

Lean Energy Management

The Company has established a three-tiered energy management structure supervised by the Board of Directors and has formulated management system documents such as the Energy Management Manual and the Energy Usage Management Measures to ensure the standardized and systematic advancement of energy management matters. As of the end of the reporting period, six vehicle production bases in China obtained ISO 50001 certification for their energy management systems.

We have established an intelligent energy management platform (EMS) to regularly conduct assessments of energy usage and continuously improve the level of refined energy management. Relying on this platform, we have achieved real-time data collection and visualization of energy consumption throughout the entire production process. Concurrently, by integrating big data analytics and predictive algorithms, we identify inefficiencies in energy use and energy-saving potential to provide scientific decision-making support for setting energy-saving targets and developing action plans. In addition, we conduct energy-saving training and awareness campaigns for employees to reinforce their understanding of the importance of emission reduction and raise their awareness of energy-saving.

Integrated Energy & Carbon Intelligent Control



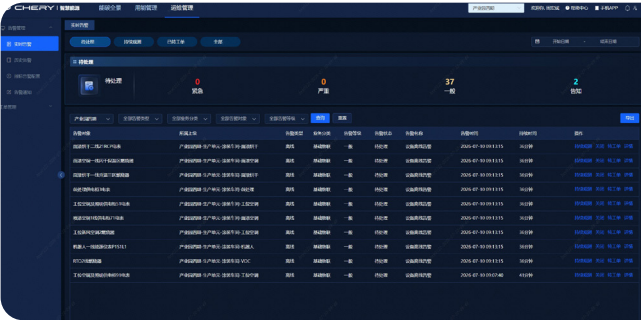
Energy and Carbon Overview

Track energy consumption and carbon emissions across multiple scenarios, including factory sites, workshops, and production lines. Provide a comprehensive view of the energy mix, carbon intensity, emission trends, and key energy-consuming units, supporting integrated energy and carbon monitoring, analysis, and decision-making.



Energy Management

Present planned and actual specific energy consumption, as well as production output across daily, monthly, and annual timeframes through charts, dashboards, and other visual formats. Enable energy performance benchmarking, abnormal fluctuation detection, energy efficiency analysis, and refined energy management.



Operations & Maintenance Management

Monitor the operating status of energy-consuming equipment and issue alerts for abnormalities. Automatically trigger and distribute maintenance work orders, enabling closed-loop management covering work order assignment, execution tracking, result feedback, acceptance, and archiving. Improve maintenance response efficiency and fault-handling capabilities.

AI- and Big-Data-Driven

- **Energy Consumption Forecasting:** Combine historical energy consumption, weather, calendar, and equipment operating data to forecast future energy consumption and cost trends. Compare the results with planned targets and the same periods in previous years to establish benchmarks for over-limit alerts.
- **Digital Sandbox Analysis:** Use forecasting models to simulate how different operating strategies or technical retrofit solutions may affect future energy consumption, carbon emissions, and energy costs by adjusting controllable operating parameters, providing a "digital sandbox" for decision - making.
- **Scenario Comparison:** Build multidimensional scenario forecasting models to estimate future energy consumption, carbon emissions, and energy costs. Quantify the potential value of energy-saving measures and provide a basis for solution selection and management decisions.
- **Equipment Optimization:** Use AI-powered analytics and optimization algorithms to dynamically optimize the number of active units and operating parameters of manufacturing equipment, enabling efficient system coordination and minimizing energy consumption.

Multi-Dimensional Energy-Saving Improvement

We set annual energy-saving targets and formulated the Energy Saving Management and Technical Project Proposal and Implementation Control Procedures to standardize energy-saving management processes and ensure the effective implementation of energy-saving measures in production stages such as painting, welding, stamping, and final assembly. At the same time, we continue to increase our efforts and resource investment in introducing energy-saving technology innovation projects. We constantly explore new technologies and pathways for efficient energy utilization, so as to provide technical assurance for continuous energy consumption reduction. In 2025, we carried out several energy-saving technical renovation projects, including permanent magnet motor upgrade, compressed air system upgrade, dryer equipment upgrade, boiler operation improvement, and the promotion of high-efficiency LED lighting. These initiatives cumulatively saved 16,808.08 MWh of energy, reduced carbon dioxide emissions by 8,852.05 tonnes, and reduced energy costs by RMB 11.5804 million.

Power-Saving and Efficiency-Enhancing Projects (Examples)

Compressed Air System Upgrade

We replaced refrigerated air dryers with compressed heat adsorption dryers, which utilize waste heat from compressed air to achieve efficient drying and reduce energy consumption. As a result, the energy consumption of the compressed air system decreased by 21% compared to pre-upgrade levels, further enhancing our energy utilization efficiency.



Permanent Magnet Motor Upgrade

We replaced traditional motors with high-efficiency permanent magnet motors for circulating water pumps used in scenarios such as the welding shop, power station and general assembly rain test line. This upgrade improved equipment operating efficiency and reduced electricity consumption in the circulating water system.

Soft Start/Stop Upgrade for Painting Pretreatment

By optimizing the start/stop control logic of equipment, we implemented a stepped switching sequence that reduces instantaneous energy surge caused by simultaneous start/stop of pumps and other equipment, saving approximately 300 MWh of electricity annually from the start/stop cycles of pretreatment pumps and related equipment.

Heat-Saving and Efficiency-Enhancing Projects (Examples)

Natural Gas Burner Upgrade

We implemented energy-saving retrofits in the painting process by upgrading natural gas burners and their associated valve groups. This improved combustion stability and thermal energy efficiency, reducing natural gas consumption by 5% compared to pre-upgrade levels.

Boiler Operation Optimization

We advanced the refined operation and management of our boiler system by optimizing operating temperatures and start-up schedules. This initiative saved 60,000 cubic meters of natural gas.

Compressed Air Waste Heat Recovery

We introduced waste heat generated from air compressors into the BC air conditioning system of the painting shop. This supplementary heat source helped meet the heating demands of the air conditioning system, thereby reducing our reliance on natural gas for heating.



Clean Energy Adoption

The Company considers the environmental impact of energy use, prioritizes renewable and low-pollution energy sources, and continuously expands the development and application scenarios of clean energy. We continue to advance photovoltaic power generation projects, accelerate the application of direct green power supply and externally purchased green electricity, explore biomass energy applications in accordance with local conditions, and promote the electrification of production equipment to enhance the cleanliness of end-use energy consumption. Meanwhile, we closely monitor trends in low-carbon energy technologies, actively conduct research on emerging low-carbon energy pathways such as green ammonia fuel cell power generation, explore the coordinated application of different energy sources across various production scenarios, gradually reduce the reliance of certain production processes and equipment on traditional fossil fuels, and promote the transition of the energy supply system toward a cleaner, more diversified and lower-carbon structure. In 2025, the Company continued to expand the development and utilization of renewable energy, with grid-connected photovoltaic installed capacity reaching 281.92 MW and total renewable energy consumption amounting to 508,355.13 MWh.

Waste-to-Energy | DEEIOT Biomass Green Steam Project

Anhui DEEIOT Energy Technology Co., Ltd. (hereinafter "DEEIOT"), a subsidiary of Chery Auto, has partnered with China Gas Holdings Limited to advance the biomass green steam project at its Tongling base. Through a BOO (Build-Own-Operate) model, the project introduces direct-fired biomass boilers that utilize surrounding agricultural and forestry waste, such as straw, rice husks, and wood chips as a substitute for traditional fossil fuels in heat supply. The biomass green steam project at DEEIOT's Tongling base was officially put into operation in March 2026. The project is expected to save approximately 28 million cubic meters of natural gas and reduce carbon dioxide emissions by about 60,000 tonnes annually. Moving forward, we will continue to build a circular economy chain of "agricultural waste - biomass energy - battery manufacturing" to enhance resource utilization efficiency, clean energy supply capacity and low-carbon manufacturing standards, thereby injecting green momentum into the construction of a zero-carbon power battery base.



Construction of Zero-Carbon Factories

The Company is actively exploring pathways toward low-carbon, clean, and intelligent production by systematically advancing energy conservation, carbon reduction, clean energy utilization and intelligent management and control. This coordinated approach has driven more production bases toward low-carbon and zero-carbon upgrades and laid a solid foundation for green manufacturing.

Zero-Carbon Factory | Phase I Logistics Park of the Intelligent Connected Vehicle Industrial Park

The Phase I Logistics Park of Chery Auto's Intelligent Connected Vehicle Industrial Park (hereinafter "the Park") is a critical logistics hub connecting the manufacturing of complete vehicles and KD parts with their outbound delivery. Its operations primarily cover on-site transfer, complete vehicle warehousing and outbound distribution coordination after production. Guided by a systematic, intelligent and standardized approach, the Park has comprehensively advanced carbon neutrality initiatives and successfully established a zero-carbon operations system integrating energy, transportation, management and ecology.

In 2025, the Park was recognized as "Carbon Neutrality Achieved Factory" and "Zero-Carbon Factory". Through measures including photovoltaic energy storage, intelligent microgrids, all-electric logistics and resource recycling, the Park has built an integrated low-carbon operation system of "source-grid-load-storage-control", achieving 100% green electricity coverage. To achieve carbon neutrality on-site, the Park also purchased carbon credits from the Inner Mongolia Yihe Wusu Sumu Wind Power VCS Project, certified by Verra, to offset 743.38 tonnes of CO₂ emissions.

In the next phase, the Park will pursue two strategic priorities, namely "deepening intelligent zero-carbon operations" and "expanding value chain collaborative decarbonization". We will continue to enhance the park-level carbon emissions monitoring platform and develop an integrated demonstration pathway for "zero-carbon warehousing + green delivery", striving to extend carbon neutrality from the operational level to the entire value chain.



In 2025

Total renewable energy consumption

508,355.13 MWh

Purchased green power

305,136.04 MWh

Installed capacity of grid-connected photovoltaic power generation

281.92 MW

Energy-saving technical renovation projects have cumulatively saved

16,808.08 MWh of energy

Reduced carbon dioxide emissions by

8,852.05 tonnes

Reduced energy costs by

RMB 11.5804 million

Note: VCS projects refer to carbon reduction projects under the Verified Carbon Standard that generate tradable Verified Carbon Units (VCUs) through project development, monitoring, verification and issuance. These VCUs can be used to offset calculated carbon emissions within the project boundary or from other entities.

Promoting Low-Carbon Collaboration across the Supply Chain

Supply-side emissions account for a significant portion of the carbon emissions of automobile companies. Collaborative carbon reduction by suppliers is crucial for the Company to achieve its decarbonization targets. The Company has set a target for core tier 1 suppliers of vehicle manufacturing to achieve a green electricity usage ratio of no less than 60% by 2030. By adopting a dual approach of "product carbon control + supply chain empowerment", the Company further expanded its supply chain carbon management pathways. Through concerted efforts both internally and externally, it promotes the low-carbon transformation and upgrading of the supply chain.

The Company leverages product carbon footprint management as a key driver to continuously advance the application of recycled materials in complete vehicles and has established targets for the use of recycled materials in conventional vehicle models. To achieve these targets, we are building a more sustainable and low-carbon material supply system by increasing the share of recycled steel, aluminum alloys and plastic in body structures and prioritizing secondary materials over virgin resources, so as to reduce energy consumption and carbon emissions from raw material production. At the same time, we are progressively expanding the use of recycled content in critical battery materials such as cobalt, nickel and lithium to lower the life-cycle carbon footprint of our batteries. Furthermore, we are exploring the use of artificial intelligence in material screening, performance evaluation and formulation development to enhance R&D efficiency and accelerate the adoption of low-carbon materials.

Chery Auto Won Global Runner-Up Award in the "Sustainable Product Category" at the 2025 Altair Enlighten Award

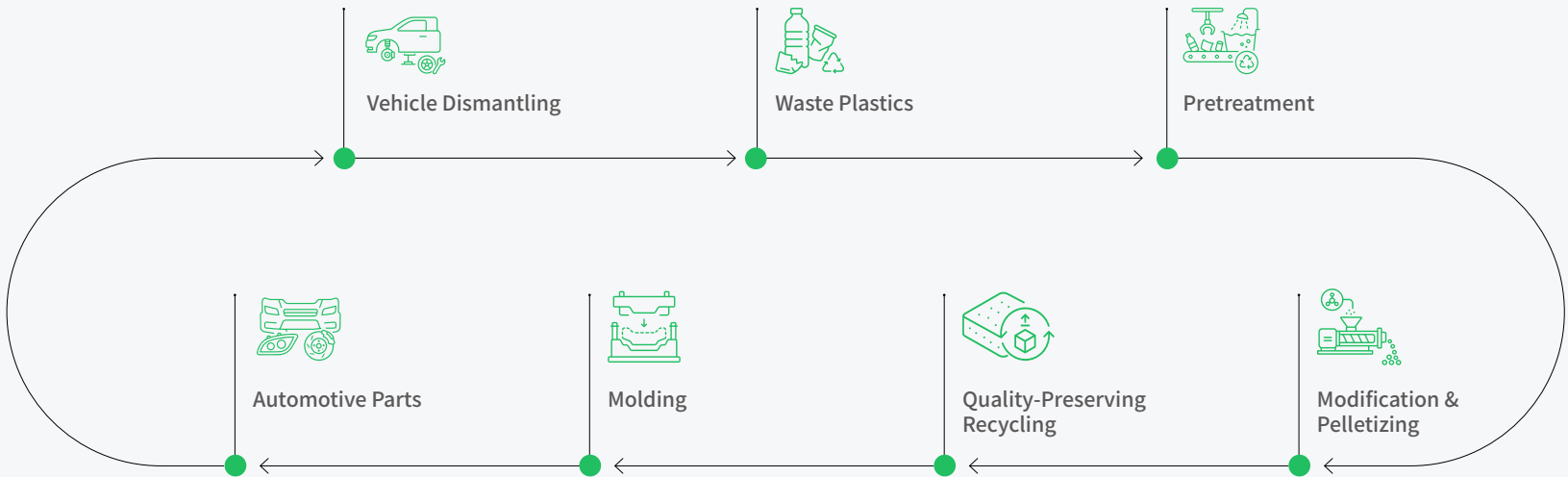
On September 16, 2025, Chery Auto won the global runner-up in the "Sustainable Product Category" at the Altair Enlighten Award ceremony with its "Answering Earth with Low-Carbon Recycled Aluminum" project. Chery Auto became one of the first Chinese automakers to receive such high recognition for core technological breakthroughs in sustainable products. It is also the first company globally to win this award based on recycled low-carbon aluminum alloy technology. The award-winning project is the "100% Recycled Aluminum + Heat Treatment-Free + Integrated Die Casting" technology independently developed by Chery Auto. Compared with traditional technology, this technology adopts 100% recycled aluminum and innovatively applies the heat-treatment-free integrated die-casting process, reducing energy consumption in manufacturing by more than 97%. It is estimated that approximately 3.27 tonnes of carbon emissions can be reduced per vehicle produced. At present, this achievement has been the first to achieve mass production and application on Chery's E0X global ultra-comfortable, high-performance electric platform, providing a replicable and scalable solution for the large-scale application of recycled materials across the industry.



"Car to Car" Automotive-Grade Recycled Plastic Circular Application was Recognized as an "Excellent EPR Case for Automotive Products"

The Company is dedicated to the research, development and application of recycled materials, and actively fulfills its Extended Producer Responsibility (EPR) to advance circularity across the automotive value chain. In partnership with Wuhan Kingfa Sci. & Tech. Co., Ltd., we conducted performance validation of recycled plastics from multiple sources and developed corresponding application solutions. Having completed the feasibility verification for the use of recycled plastics in automotive components, we are advancing a "car to car" closed-loop system, where materials from end-of-life vehicles can be reused in new vehicles. In July 2025, the project was recognized as an "Excellent EPR Case for Automotive Products" by the Automotive Industry Energy Conservation and Green Development Evaluation Center.

We continue to scale the application of recycled plastics across our vehicle portfolio. For example, the wheel arch trim panel of the EXEED Yaoguang is manufactured with 30% recycled polypropylene (PP), while the front windshield lower trim panels of the EXLANTIX ES and EXLANTIX ET are made with 100% recycled PP. Compared with virgin materials, the use of recycled plastics can reduce CO₂ emissions by 40% to 50%.



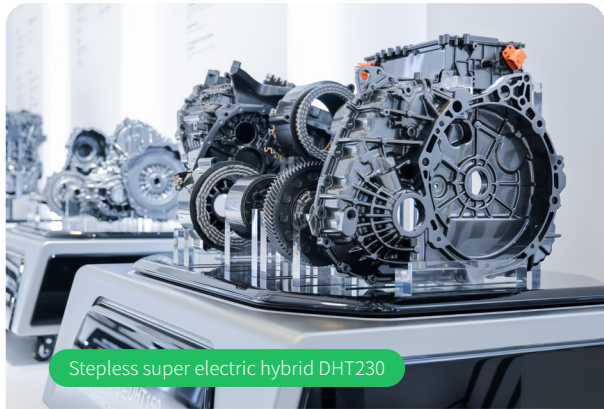
AI Empowerment in R&D of Low-Carbon Materials Driving Battery Life-Cycle Decarbonization

DEEIOT has developed an integrated R&D platform covering AI-driven materials genome and full life-cycle carbon footprint. Artificial intelligence is deeply embedded across the entire process from material discovery, formulation optimization, process validation, and carbon footprint evaluation, significantly shortening the R&D cycle for low-carbon materials. As of May 2026, AI technologies have been deployed at scale across five core material domains, namely cathode, anode, electrolyte, separator and binder, and structural materials. This capability enables the development of low-carbon, highly recyclable, and resource-efficient material systems, while accelerating the transition of low-carbon materials from R&D to mass production.

Meanwhile, the Company strictly implements all requirements in the Supply Chain Carbon Management Statement. By incorporating suppliers' carbon emission management performance, emission reduction targets, actions and results into the whole process of supplier selection, access, performance evaluation and portfolio management, we encourage suppliers to actively carry out emission reduction management. In addition, we regularly collect data from all complete vehicle suppliers on the usage of production components, energy consumption, and green electricity consumption. We also require them to provide carbon footprint certificates to ensure the authenticity and traceability of carbon emission information on the supply side. To address key challenges in emissions management faced by core suppliers, we provide targeted training and resource support. In 2025, we concentrated on key areas such as green electricity procurement and energy-saving renovation, providing suppliers with mature practical cases and guidance, and actively guiding them to promote green electricity procurement and the application of clean energy.

Accelerating Low-Carbon Transition in the Product Use Phase

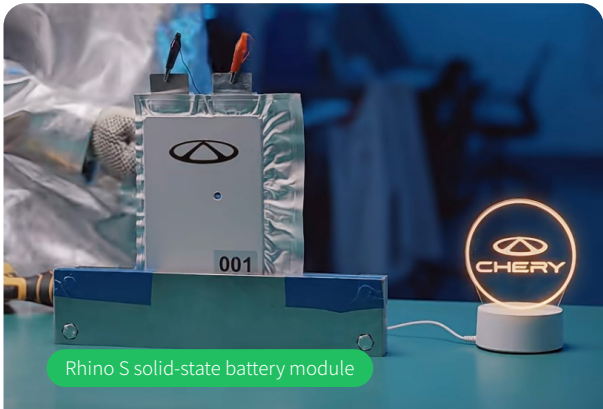
As the global energy transition accelerates and the automotive industry's green, low-carbon transition deepens, Chery Auto has formulated and is advancing a diversified powertrain development strategy that embraces multiple technology routes including hybrid, extended-range, battery electric and hydrogen energy. We continue to increase R&D investment in key areas such as hybrid technology, pure electric technology and clean fuels, and focus on core technological breakthroughs in powertrain efficiency improvement, energy management optimization and low-carbon fuel compatibility. These efforts enable us to deliver lower-carbon, more efficient mobility solutions to our customers.



Stepless super electric hybrid DHT230

Hybrid Technology

We have been deeply engaged in the R&D of hybrid technology, focusing on engines and transmissions to steadily improve the overall energy efficiency of the hybrid systems. In 2025, the independently developed Kunpeng Tianqing hybrid-dedicated engine achieved a thermal efficiency of 48%, striking an optimal balance between fuel economy and power performance. Meanwhile, the R&D and large-scale application of key core components, including the C-DM 6.0 high-efficiency hybrid-dedicated engine and the stepless super electric hybrid DHT, further strengthened the core competitiveness of our hybrid technology system.



Rhino S solid-state battery module

Pure Electric Technology

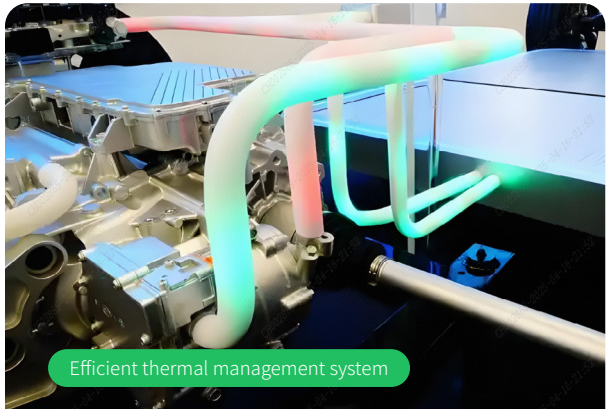
We optimize the power battery, electric drive system and thermal management system in an integrated manner to consistently improve charge-discharge efficiency, electric drive efficiency and thermal management performance. These efforts are designed to extend vehicle range, prolong battery life and reduce electricity consumption per kilometer. In 2025, the Company officially unveiled the Rhino S solid-state battery module, with plans to commence initial vehicle integration testing in 2027. Once installed, the vehicle's driving range is expected to reach 1,200 to 1,300 km, meeting user demands for long-distance travel while reducing recharging frequency.



Hydrogen fuel vehicle

Clean Fuels

We invest heavily in cutting-edge technologies such as hydrogen, ethanol fuel and electronic synthetic fuel (E-FUEL), broadening the low-carbon transition pathway for conventional powertrain vehicles. As of the issuance date of this Report, the Company's self-developed 2.0-liter hydrogen ICE replaces fossil fuels with hydrogen, significantly cutting carbon emissions during the use phase. In addition, we have launched ethanol fuel engine products in overseas markets such as Brazil and Thailand, further expanding the commercialization of low-carbon fuels across diverse regions and applications.



Efficient thermal management system

Energy Efficiency Improvement

We continue to advance lightweight design by optimizing body structures, material selection and integrated component solutions, effectively reducing overall weight and on-road energy consumption. We also use low-rolling-resistance tires to minimize driving resistance and enhance powertrain efficiency. Furthermore, we have refined our thermal management systems to optimize heat distribution across the powertrain and the vehicle, reducing parasitic energy losses and improving energy efficiency under various operating conditions.

The Company adheres to a development strategy of "petroleum-electric synergy and integrated strengths". We leverage the synergistic development advantages of multiple brands including Chery, JETOUR, EXEED, iCAR, and LUXEED, and create a rich and diverse full-category new energy product matrix that covers all scenario needs, from mainstream family use to high-end intelligent vehicles, from all-terrain off-roading to trendy lifestyle travel. This provides global users with automotive products featuring long range, low energy consumption, and low carbon emissions, and promotes green and sustainable mobility. In 2025, the Company's new energy passenger vehicles accounted for nearly 90% of our new product launches, including multiple new energy models such as the Chery Fulwin A9L, Zongheng G700, iCAR V23, and JAECOO 5.

Chery Fulwin A9L

The Chery Fulwin A9L is equipped with the Kunpeng Super Energy C-DM 6.0 powertrain system, which integrates the Kunpeng Super Hybrid-specific 1.5T engine and the stepless super electric hybrid DHT Pro. This flexible system can switch between multiple driving modes based on different driving demands, improving fuel economy and enhancing the driving experience. In terms of power batteries, the Chery Fulwin A9L features the Rhino Square Blade battery, with a tested pure electric range of 260 km and a comprehensive range exceeding 2,000 km. Moreover, it takes only about 14.5 minutes to charge from 30% to 80%.

iCAR V23

iCAR V23 offers users a green travel experience covering all scenarios, and is driven by innovation in the three core electric systems (power battery, drive motor and electronic control) along with an intelligent control system. The intelligent energy recovery system of iCAR V23 can dynamically adjust the recovery intensity based on road conditions, improving energy utilization efficiency. To address the challenge of winter range reduction, the iCAR V23 utilizes a heat pump technology for its heating system. This generates heat by recycling waste heat from the battery and reduces range loss by 8%.

Zongheng G700

Centered around an engine with a thermal efficiency of 45.95% and coupled with an 800V architecture and intelligent energy management system, the fuel consumption of Zongheng G700 is only 7.89 liters per 100 km under WLTC conditions in a charging-sustaining mode. This represents more than a 30% reduction in energy consumption compared to traditional fuel-powered SUVs in the same class.



In 2025

Number of new energy passenger vehicles sold

826.5 thousand

Proportion of new energy passenger vehicle sales to total sales

31.41%

Number of in-sale models with carbon footprint accounting

52

Coverage rate of carbon footprint accounting for in-sale models

100%

Average power consumption of BEV models (China - CLTC)

13.51 kWh/100 km

Average power consumption of BEV models (EU - WLTP)

16.09 kWh/100 km

Average fuel economy of vehicles (China)

4.86 L/100 km

Notes: 1. WLTP (Worldwide Harmonized Light Vehicles Test Procedure) is the globally unified test procedure for light-duty vehicles.
2. CLTC (China Light Vehicle Test Cycle) is the driving cycle for light-duty vehicles in China.
3. All data related to the average energy consumption of BEV models is based on the Company's internal statistics and calculations.

The accessibility and affordability of charging networks are key to decarbonizing transportation and achieving green energy transition. The Company focuses on scenarios of "vehicles, energy storage, charging infrastructure, power grids, cloud platforms and carbon management". We have built a diversified collaborative application system covering Dragon Charger, virtual power plants, solid oxide fuel cell solutions, and V2G smart charging piles, to create a green smart energy ecosystem that empowers low-carbon mobility for our customers.

Integrated PV-ESS-Charging Station: Increasing the Share of Green Electricity in Charging

We are actively deploying smart integrated PV-ESS-Charging stations that integrate photovoltaic generation, energy storage systems and ultra-fast charging equipment. This enables a closed-loop low-carbon system spanning "clean energy, charging terminals, vehicle operation", increasing the share of green electricity in the charging process. Furthermore, our megawatt-level ultra-fast charging network will be connected to the Chery Energy Cloud Platform. Through intelligent scheduling and load forecasting, we enable optimal energy allocation and continuously improve the efficiency of green energy utilization.

Diversified Energy Expansion: Strengthening the Foundation for Long-Term Green Development

We are deeply exploring pathways toward low-carbon and zero-carbon energy. In 2026, we will launch the world's first 25 kW ammonia-fueled solid oxide fuel cell (SOFC) power generation system. By establishing a "wind and solar power - green ammonia - green electricity" loop, we will deliver stable, zero-carbon and reliable distributed energy solutions for high-demand application scenarios such as plants and data centers.



| **Dragon Charger: Building a High-Efficiency Charging Network**

We continue to advance the development of an efficient, safe and intelligent charging ecosystem for new energy vehicles. The Dragon Charger adopts full liquid-cooling thermal management technology, delivering a peak power output of 1.2 MW per gun and a peak current of 1,200A. It enables the replenishment of energy for 500 kilometers of range in just five minutes. Equipped with a modular design and an intelligent power dispatch system, the charger dynamically allocates power to support simultaneous high-efficiency charging for multiple vehicles. In addition, the charger features a dedicated ultra-fast charging safety control system that monitors charging parameters in real time, to safeguard battery health and service life.



| **Vehicle-to-Grid (V2G) Interaction: Unlocking the Energy Storage Value of Vehicles**

We are accelerating the deployment of V2G bidirectional charging technology, transforming new energy vehicles into "mobile energy storage units". We are also actively exploring virtual power plant models and multi-scenario energy coordination to build a six-in-one smart energy ecosystem encompassing "vehicles, energy storage, charging infrastructure, power grids, cloud platforms and carbon management". We plan to build over 20,000 V2G-compatible charging stations by 2029, starting with the "Vehicle-to-Grid Initiative" in 2026, under which the first batch of 100 Dragon Charger stations with V2G capability will be deployed across ten cities, including Guangzhou, Shenzhen and Hefei.



Building a Low-Carbon Circular Operation Ecosystem

The Company actively builds an efficient, low-carbon, and sustainable operation system, continuously deepening its green transformation practices across key areas such as logistics network optimization, circular economy practices, green operations management, and the exploration of carbon neutrality pathways.

Advancing Low-Carbon Logistics

The Company has continuously focused on building a low-carbon logistics system and accelerated the low-carbon transformation of logistics and transportation. In 2025, through the application of digital and intelligent technologies, the Company comprehensively optimized its logistics management system to achieve efficient allocation of transportation modes, network layout and vehicles. Relying on the logistics information system, the Company realized the tracking and dynamic control of carbon emission data, providing data and technical support for logistics carbon reduction. In addition, the Company continues to improve its management mechanism for cooperation with international logistics providers, prioritizing partnerships with overseas logistics service providers that demonstrate higher transport efficiency, stronger low-carbon service capabilities, and superior green operation performance. For existing partner providers, the Company actively encourages them to strengthen route planning optimization, improve vessel energy efficiency, explore the application of alternative fuels, and enhance digital operation management. The Company continuously monitors the corresponding carbon reduction outcomes to lower carbon emissions from overseas logistics and transportation.

Efficient transportation models

The Company has advanced the centralized organization and optimization of remote trunk line pickups. By evaluating the transportation efficiency of existing logistics routes, it has determined the optimal layout of relay points to reduce transit time. Through models such as same-city Milk Run, multi-location consolidation, and shipment consolidation, we significantly improve vehicle loading efficiency and reduce the empty-loaded rate and unnecessary transportation mileage. The Company continuously advances the integrated consolidation of logistics, transportation and packaging. By optimizing packaging design, the Company improves the compatibility between packaging and transport vehicles and reduces space waste during transportation, to enhance transport efficiency.

Low-carbon transportation network

In mainline transportation, the Company vigorously promotes green and low-carbon modes such as rail and waterway transport, continuously increases the proportion of rail-water combined transport, and optimizes the transportation structure. In 2025, the combined share of rail and waterway transportation reached 49.08%.

Green transport vehicles

In 2025, the Company introduced new energy vessels on some Yangtze River waterway routes, including the LNG-fueled ship, Jiangyun Minsheng. This has effectively reduced fuel consumption and carbon emissions in water transportation, supporting the green and low-carbon transition of logistics. In addition, certain major international maritime shipping suppliers actively advance initiatives such as the application of dual-fuel LNG vessels, research and pilot projects on alternative fuels, and technological upgrades to improve vessel energy efficiency, thereby continuously enhancing their green shipping capabilities.

Digital management tools

The Company has established an integrated digital logistics management system covering all stages of orders, transportation, warehousing, and settlement. By deeply applying five core logistics models and leveraging the Transportation Management System (TMS), the Company has achieved real-time and precise control throughout the entire transportation chain. Besides, the Company continuously promotes the digital upgrade of logistics and transportation as well as the intelligent transformation of decision-making, further enhancing logistics and transportation efficiency.



Digital and Intelligent Logistics Model Optimization for Low-Carbon Transportation System

In 2025, relying on the established Intelligent Logistics Technology Research Institute, we continued to promote the R&D and application of various logistics digitalization models. This systematically optimized models for cargo loading, transport mode selection, and warehouse location planning, which further improved the operational efficiency and environmental performance of the complete vehicle, parts, spare parts and international logistics systems.



Vehicle logistics

Considering both transportation cost and carbon emissions, the Company developed an optimization model for transit depot location and multimodal transport, scientifically planning the optimal transport routes and raising the proportion of rail-water combined transport by 12.68%. Meanwhile, a consolidation model for LSP (Less-than-Shipment) orders was developed, shortening the Order-to-Delivery (OTD) cycle by 1.11 days and effectively improving transport efficiency.



Spare parts logistics

To address uneven warehouse coverage, the Company redesigned warehouse layout and service scope using the spare parts network optimization model, and raised the next-day delivery coverage in certain regions from 50.44% to 80.01%.



Parts logistics

Based on the relay location model, milk-run and intelligent loading algorithms, automatic order consolidation and route optimization were realized. Specifically, the transportation route in the Changzhou hub has been shortened by 32%, vehicle trips reduced by 26%, and loading efficiency improved by 7.7%.



International logistics

For KD (Knock-Down) parts export transportation, a location and route optimization model was established to systematically plan packaging center locations and transport routes, reducing redundant transportation links. To effectively address the increasing complexity of the logistics network brought by overseas business growth, an intelligent location and route collaboration model for overseas transit warehouses was deployed to optimize the warehouse network layout in the Southwest region.

Practicing the Circular Economy

Chery Auto has established an end-to-end circular economy management system encompassing "design - production - recycling - regeneration". Starting from the design stage, we fully integrate green design principles of recyclability and reusability. We adopt design approaches of making it modular, standardized, platform-based, easy to disassemble, and recyclable, thereby enhancing product circularity at the source and strengthening it throughout the entire lifecycle. Meanwhile, partnering with Ruiyuan International Resources Investment Co., Ltd. ("Ruiyuan International"), a subsidiary of Chery Holding, we have carried out cooperation in core areas such as end-of-life vehicle dismantling, parts remanufacturing, power battery recycling and hazardous waste resource recycling to deepen industrial chain collaboration and enhance the value of resource circulation.

End-of-life vehicle dismantling

The Company has built a standardized national recycling network and established an online recycling entry point based on the terminal service channels and the used vehicle business section on its official website, realizing nearby collection and compliant transportation of scrapped vehicles. Meanwhile, we work with Ruiyuan International to carry out lean dismantling according to vehicle structure and material properties, resulting in more than 30 types of materials for resource reuse and a material reuse rate of over 95%, greatly enhancing the circular value of end-of-life vehicle resources.

Parts remanufacturing

The Company has partnered with Ruiyuan International to establish standard inspection, assessment, and remanufacturing processes for end-of-life parts, facilitating the return of reusable parts to the market. In 2025, remanufactured parts were successfully reused in Chery Auto's parts market, including 2,292 onboard chargers, 2,144 high-voltage heaters, 1,476 electric compressors, and 7,414 lamps.

Utilization of hazardous waste resources

The Company has worked with Ruiyuan International to build a full-chain green recycling system for waste mineral oil covering "collection - regeneration - application". Waste mineral oil is regenerated into lubricant base oil and by-products, which are applied in industrial lubricants, automotive lubricants, coatings and other fields. This achieves a comprehensive utilization rate of waste mineral oil of 96% and a base oil recovery rate of 74%. By the end of 2025, Ruiyuan International had assisted Chery Auto in the comprehensive utilization of 196 tonnes of waste mineral oil, successfully producing 145 tonnes of recycled base oil and 43 tonnes of by-products.

Battery recycling

The Company has established a comprehensive traceability management system for the entire lifecycle of power batteries. By formulating the Power Battery Traceability Management and Control Procedure and implementing a full-process information collection and uploading mechanism, the Company ensures the completeness and traceability of battery recycling and utilization information. Meanwhile, we have established a power battery recycling system. In 2025, we set up power battery recycling outlets at 618 Chery Auto sales and service 4S stores nationwide. In addition, we continue to advance the resource recovery and value-added utilization of retired traction batteries, while working with Ruiyuan International to explore pathways for their circular utilization. In 2025, a total of 630 tonnes of retired traction batteries were recovered, and categorized utilization was carried out based on the actual condition of the batteries. The resulting battery products were applied in areas including starter batteries, residential energy storage systems, and forklift power systems, with cumulative product capacity reaching 62,126 kWh. The Company continued to monitor policy developments regarding the recycling and comprehensive utilization of waste traction batteries in China and other jurisdictions where it operates, and improved its mechanisms for the compliant recycling and resource recovery of retired traction batteries in accordance with the latest regulatory requirements.



Deepening Green Operation

The Company attaches great importance to its own operational decarbonization management, focusing on operational areas such as park construction, store operation, employee commuting and business travel. We implement various carbon reduction measures, and actively fulfill our commitment to green development.

Green industrial parks

The Company actively practices the concept of sustainable development in industrial plant construction, and adopts the green building design standards. Industrial plants achieve lighting energy savings by maximizing natural light, and 100% of the roads there use high-efficiency LED green lighting systems. In addition, public buildings such as the catering center, management center, and main gatehouse are strictly planned and constructed according to China's national two-star green building standard, so as to improve the environmental friendliness of buildings.

Green stores

The Company integrates green and low-carbon principles into all processes of store planning, construction, operation and management, actively exploring environmentally friendly and sustainable store operation models. As of the issuance date of this Report, the Company has developed and progressively implemented the Green Store Building Standards, which specify requirements for energy conservation and consumption reduction, application of green materials, and health and safety management, aiming to create a greener, safer, and more comfortable store environment for employees and customers.

Green commuting

We actively encourage employees to take green commuting methods, promote the electrification of shuttle buses, and gradually reduce the use of traditional ICE vehicles. A total of 1,193 charging stations for new energy vehicles are equipped within production and office areas to provide basic support for the use of new energy vehicles and further enhance the convenience of green commuting for employees and increase their enthusiasm for it.

Green travel

We prioritize online meetings to reduce unnecessary offline business travel, thereby reducing transportation carbon emissions due to meetings and business activities. For travel needs that are essential, the Company strengthens travel approval and itinerary management, and strictly controls the frequency of air travel. When the timing, distance and efficiency of itinerary allow, the Company opts for low-carbon travel methods such as high-speed rail.

Exploring Technologies for Carbon Capture, Utilization and Storage

The Company is actively advancing research on carbon capture, utilization, and storage (CCUS) and other carbon dioxide removal and negative-emission technologies, continuously exploring pathways for permanent carbon removal, and promoting the application of related technologies in scenarios such as emission reduction from fixed industrial sources, low-carbon fuel production, and resource utilization of materials. As of the issuance date of this Report, the Company has conducted research in areas including the development of adsorbent for direct air capture (DAC) and innovation in functional materials, and has advanced related technology validation efforts. At the same time, we progressively build a diversified portfolio of carbon neutrality instruments, including forest carbon sinks and verified carbon credits, forming a coordinated mechanism that combines "technological emission reduction + carbon neutrality instruments" to support the Company's steady progress toward its operational carbon neutrality goals.

Carbon Hunter v1.0 In-Vehicle CO₂ Capture System

Exhaust CO₂ capture technology is an important means of extracting CO₂ from mobile emission sources such as vehicle exhaust, as well as a key technology for achieving source-level emission reduction and carbon resource utilization. The Carbon Hunter v1.0 In-Vehicle CO₂ Capture System of Chery Auto was unveiled at the 2026 (19th) Beijing International Automotive Exhibition. The system adopts a modular capture unit design and operates through a three-step process of "capture, separation, and storage/regeneration" to capture, store, and utilize CO₂ from exhaust during vehicle operation. The captured CO₂ can be further utilized in the production of industrial raw materials or synthetic fuels (E-FUEL), enabling artificial carbon removal and resource utilization.



Risk and Opportunity Management

Climate risk and opportunity management is a critical foundation for Chery Auto to address climate change, ensure stable operation, and enhance business resilience. In 2025, the Company optimized its comprehensive risk management system, and refined its processes for identifying, assessing, responding to, and monitoring risks and opportunities, thereby further enhancing the forward-looking, effective, and systematic nature of its risk management. Leveraging a robust comprehensive risk management system, we integrated climate risk and opportunity management into the full processes of strategy planning, business decision-making, and business operation. In addition, we ensured that climate risks could be identified and assessed with the same level of importance as other key risks, including operational risk, financial risk, and compliance risk.

- Climate Risk and Opportunity Management Mechanism
- Climate Risk and Opportunity Management Process



Climate Risk and Opportunity Management Mechanism

To support the resilience of its global operations, Chery Auto has established and continues to enhance its comprehensive risk management system. Climate-related risk management is governed by internal policies, including the Comprehensive Risk Management System, the Regulations for Risk Identification and Assessment Management, and the Regulations on Major Risk Event Reporting and Resolution Management. Climate-related risks are incorporated into the Company's comprehensive risk management framework in accordance with its risk management organizational structure, allocation of responsibilities and management processes. In 2026, the Company further incorporated climate-related risks into its enterprise-wide risk landscape and risk database, where they are centrally managed as key risks under the ESG risk category. Based on the risk assessment results, the Company determines the risk level, risk tolerance and response direction for each identified risk.

Building on its climate governance structure and allocation of responsibilities, Chery Auto applies a "1+X+Y" hierarchical and collaborative risk management mechanism. Through this mechanism, we have established a climate-related risk management network encompassing governance oversight, central coordination and business execution, enabling climate-related risk management to be effectively implemented across different organizational levels, business units and operational contexts.

"1" Top-level Design

Leverage climate governance structure and the Comprehensive Risk Management System, and apply a consistent risk terminology framework and standardized tools and templates across the Company. Climate-related risks are centrally managed through the Company's risk database and are subject to established processes for risk assessment, response planning, monitoring and early warning, and information reporting. This enables climate risk management principles, methodologies and capabilities to be consistently embedded throughout the Company.

"X" Key Priority Tackling

Identify climate-related risks with significant potential impacts or those meeting the Company's criteria for priority management based on climate risk assessment results, break down and refine risk items, and clarify the primary responsible departments and corresponding management requirements. The Strategic Planning Department and Risk Management Department coordinate relevant activities, monitor risks and track the implementation of response measures in line with their respective responsibilities. Preventive measures, ongoing monitoring arrangements and post-event response measures are developed for priority risks. Management effectiveness is continuously reviewed in light of changes in risk exposure, ensuring clear accountability, effective implementation and closed-loop management of priority climate-related risks.

"Y" Full-Scope Coverage

Establish localized risk management structures and systematic risk prevention and control processes across all business units including functional departments, brand business divisions and subsidiaries. Climate risk management requirements are embedded into specific business activities, including research and development, procurement, manufacturing, sales, overseas operations and supply chain management. This creates a risk prevention and control network spanning all organizational levels and business areas, enabling climate risk management to be closely integrated with business operations.

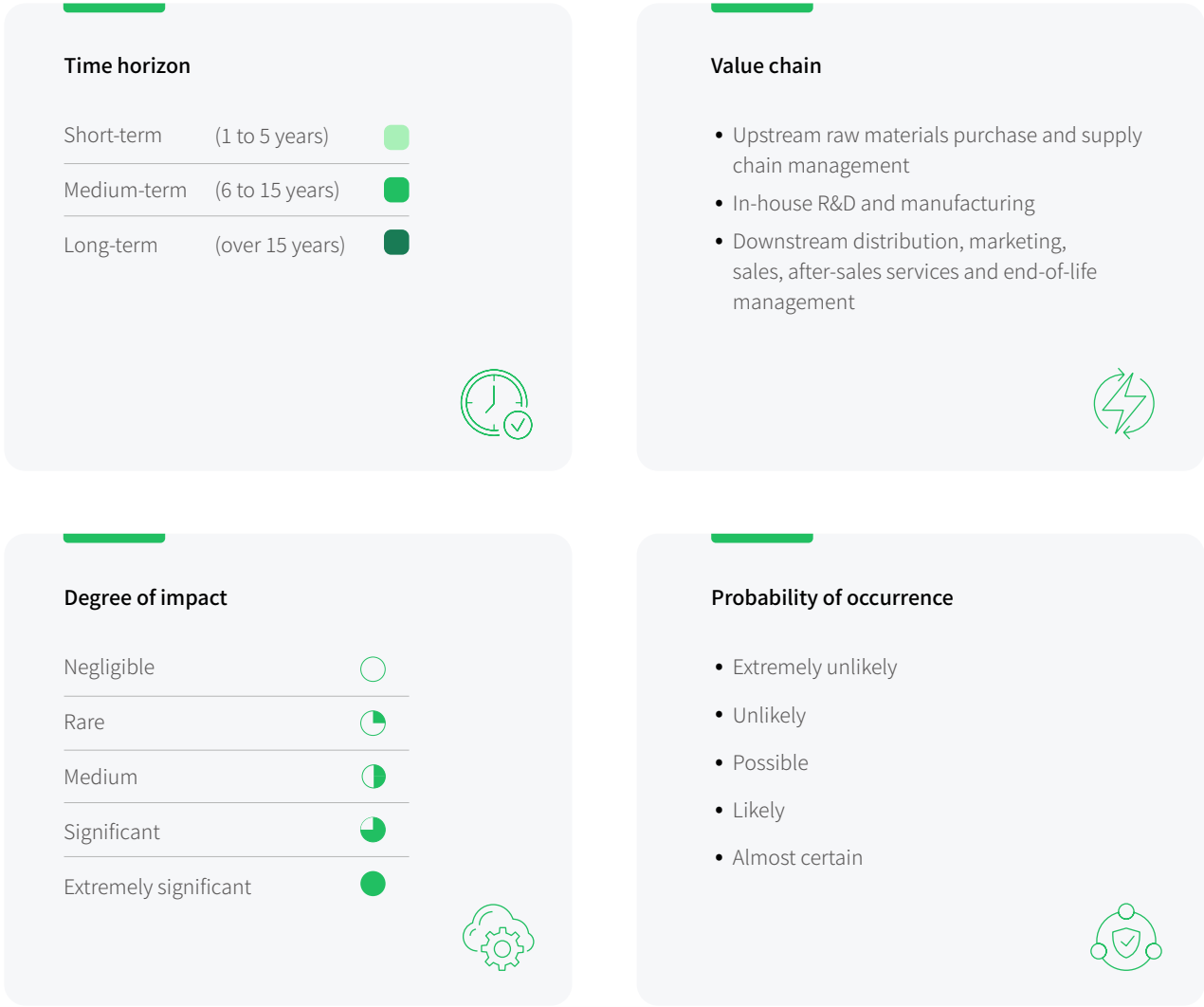
Climate Risk and Opportunity Management Process

Chery Auto has established a comprehensive management process covering the identification, assessment, response, monitoring, reporting, supervision and evaluation of climate-related risks and opportunities, enabling their systematic management.

Identification of climate risks and opportunities	Assessment of climate risks and opportunities	Response to climate risks and opportunities	Monitoring of climate risks	Reporting and resolution of climate risk management	Supervision and evaluation of climate risk management
Identify climate-related risks and opportunities that may affect the Company's operations and financial performance, based on internationally recognised climate governance frameworks and climate-related regulatory requirements, while considering macroeconomic policies, industry benchmarking and the Company's business footprint. Establish and regularly update a climate-related risk and opportunity register.	- Analyse and prioritise climate-related risks and opportunities using consistent assessment criteria across four dimensions: time horizon, affected areas of the value chain, likelihood of occurrence and magnitude of impact. - Conduct scenario analysis and financial impact assessments for material climate-related risks and opportunities to evaluate their current and anticipated effects on the Company's strategy, business operations and financial performance.	- Develop response plans for climate-related risks and opportunities based on the assessment results, taking into account the Company's risk appetite, business circumstances and low-carbon transition direction. - Define accountable functions, control measures and implementation arrangements, and integrate relevant requirements into strategic planning, business decision-making and specific business activities.	Regularly monitor and review the management of climate-related risks, assess changes in risk exposure in light of business operations, and refine response measures as appropriate based on monitoring results.	- Regularly consolidate and report information on climate-related risks, management progress and the implementation of response measures in accordance with the Company's risk management requirements. - Promptly initiate escalation reporting and emergency response procedures for material or emerging climate-related risk events, continuously monitor their resolution and ensure closed-loop risk management.	Incorporate climate-related risk management into the Company's risk oversight and evaluation system. Assess accountable functions' performance in risk identification, response measures, monitoring and early warning, information reporting and remediation. The assessment results will serve as an important reference for the performance evaluations of relevant responsible personnel.

In the process of assessing climate risks and opportunities, the Company adopts assessment dimensions consistent with its overall risk management framework to enhance the comparability of identification and prioritization results, thereby increasing their value as a reference for decision-making.

Chery Auto's Assessment Dimensions for Climate Risks and Opportunities



In evaluating the degree of impact, we assess and grade the potential impact of climate risks and opportunities across five dimensions: reputational impact, operational impact, financial impact, compliance impact, and impact on global objectives. The assessment results are used for the prioritization of climate-related matters and the subsequent management decision-making.

Assessment Dimensions for Degree of Impact	Key Definitions
Reputational impact	The degree of impact on the Company's brand image and stakeholder perception, with particular focus on the reach of relevant information, the intensity of public and media attention, and the resulting effect on the Company's market recognition and social trust.
Operational impact	The degree of impact on the Company's day-to-day operation and business advancement, with particular focus on whether there are significant changes in core business activities, key projects, supply chain operations, and management resource allocation.
Financial impact	The degree of impact on the Company's operating results and financial performance, with particular focus on changes in revenue, cost, profits, asset values, and capital investment.
Compliance impact	The degree of relevance to laws, regulations, regulatory requirements, and information disclosure standards, with particular focus on the requirements for the Company's compliance management, regulatory communication, and institutional improvement.
Impact on global objectives	The degree of impact on the Company's overseas market expansion and the advancement of its globalization strategy, with particular focus on changes in overseas business layout, international partnerships, cross-border supply chains, and global market competitiveness.

During the reporting period, Chery Auto identified, assessed and prioritized climate-related risks and opportunities based on global climate trends, our business model and value chain characteristics, and the operating conditions across different regions, applying the assessment dimensions and criteria described above. The assessment results informed the development of response strategies, climate scenario analysis and the enhancement of climate management measures. For more information on our response strategies and achievements regarding climate risks and opportunities, please refer to Chapter "Climate-Related Risks and Opportunities" of this Report.

Metrics and Targets

In the face of global climate change challenges and the green transformation trend of the automotive industry, greenhouse gas emission reduction has become a key driver for automotive enterprises to enhance competitiveness and achieve sustainable development. Guided by the 1.5°C temperature control target under the Paris Agreement and China's "Dual Carbon" goals, Chery Auto, as a global automobile manufacturer, has established a climate target system covering short-, medium-, and long-term horizons, steadily advancing toward these climate targets through measurable, actionable, and sustainable pathways. By working together with industry chain partners to build a green mobility ecosystem, Chery Auto contributes to the global low-carbon transition.

- Climate Target and Progress
- Climate-Related Metrics



Climate Target and Progress

Chery Auto has established a climate target system that covers both medium- to long-term targets and annual progress, focusing on emission reduction in its own operations, collaborative carbon reduction across the value chain, green energy substitution, zero-carbon factory construction, and investment in clean technologies. We regularly track the achievement of our targets, review the effectiveness of our climate actions, and use the resulting progress as a key basis for optimizing our low-carbon transition pathways and resource allocation.

Target Type	Target Year	Target Description	Progress in 2025
Carbon targets	2030	Compared to the baseline year of 2023, we will reduce average greenhouse gas emissions per vehicle manufactured by 60% .	The Company's average greenhouse gas emissions per vehicle were reduced by 9.53% compared to the 2023 baseline year, steadily advancing toward the 2030 emission reduction target.
	2037	We will achieve net zero in our own operations by the Company's 40th anniversary.	
	2047	We will achieve net zero across the value chain by the Company's 50th anniversary.	
Green electricity target for own operations	2030	The proportion of green electricity usage in the Company's vehicle production bases will reach 80% .	The proportion of green electricity usage in the Company's vehicle production bases was 52.77% .
Green electricity target for supply chains	2030	The proportion of green electricity used by core tier-1 suppliers (vehicle) will not be less than 60% .	This is a newly established target for the current year. Data related to green electricity across the supply chain is currently being collected and refined. A complete statistical result has not yet been formed, and further monitoring and disclosure will be carried out in the future.
Target for zero-carbon factories	2030	The number of zero-carbon factories will reach 11 .	The Company completed the construction of two zero-carbon factories, accumulating practical experience for the subsequent establishment of a zero-carbon manufacturing system.
Target for investment in clean technologies	Progressing steadily	We will continue to increase investment in technology research and development and deepen our efforts in the field of clean technologies to ensure steady input in clean technologies annually.	The Company invested approximately RMB 4.6 billion in clean technologies to continuously strengthen its green and low-carbon technology innovation capabilities, providing technological support for the achievement of its long-term climate targets.

Climate-Related Metrics

To continuously monitor the effectiveness of our climate actions, we have established a climate performance indicator system covering greenhouse gas emissions, clean energy development, and low-carbon product development. Through dynamic monitoring and regular disclosure of each performance indicator, we provide a traceable, optimizable, and collaborative evaluation system that supports the achievement of our carbon emission reduction targets and green transformation strategy.

Greenhouse Gas Emissions

Chery Auto conducts comprehensive greenhouse gas verification in accordance with the preparation principles of ISO 14064-1 for organizational-level emission inventories and the Greenhouse Gas Protocol (GHG Protocol). The Company reviews its overall emission reduction performance annually based on the results of the greenhouse gas inventory.

Indicator	Unit	2023	2024	2025
Total Scope 1 GHG emissions	tCO ₂ e	139,965.90	202,687.43	186,920.51
Total Scope 2 GHG emissions (location-based)	tCO ₂ e	/	573,094.68	602,744.26
Total Scope 2 GHG emissions (market-based)	tCO ₂ e	363,502.00	530,395.09	511,939.90
Scope 3 - Category 1: Purchased goods and services	tCO ₂ e	/	/	26,650,973.13
Scope 3 - Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)	tCO ₂ e	/	29,092.98	98,605.81
Scope 3 - Category 6: Business travel	tCO ₂ e	/	42,645.45	70,846.52
Scope 3 - Category 7: Employee commuting	tCO ₂ e	/	25,979.67	33,701.41
Scope 3 - Category 9: Downstream transportation and distribution	tCO ₂ e	/	/	707,266.04
Scope 3 - Category 11: Use of sold products	tCO ₂ e	/	/	73,408,068.59

Note: 1. The 2025 greenhouse gas emission data disclosed in this report has been verified by a professional third-party organization. As the greenhouse gas emission data was still undergoing verification by the third-party organization in accordance with established procedures at the time of publication of the Company's 2025 Environmental, Social and Governance Report, there may be discrepancies between the data contained in the two reports. In the event of any such discrepancy, the data disclosed in this report shall prevail.

2. Scope 1 greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. They include direct emissions from sources owned or controlled by the Company. The calculation factors are derived from the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC Sixth Assessment Report (2023).

3. Scope 2 greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, covering indirect emissions from purchased electricity, heat and other energy sources consumed by the Company. The emission factor for electricity is sourced from the 2023 Electricity CO2 Emission Factors issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, while the emission factor for heat is sourced from the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions for Machinery Manufacturing Enterprises (for Trial Implementation).

4. Scope 3 greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. They cover purchased goods and services, business travel, employee commuting, and fuel and energy-related activities not included in Scope 1 and Scope 2, among other categories. The calculation factors are derived from databases such as Ecolnvent, as well as relevant data issued by governments and institutions.

Clean Energy Development

Chery Auto continues to advance green energy substitution and energy infrastructure development. Through projects such as distributed PV, energy storage systems, and smart microgrids, the Company enhances its clean energy utilization, provides support for emission reduction at the manufacturing end, and gradually increases the green electricity coverage across its bases.

Smart microgrid projectUnit: Number

● 2024

● 2025

1

1

Proportion of green power in total electricity consumption for vehicle production basesUnit: %



Installed capacity of grid-connected photovoltaic power generationUnit: MW



Self-consumed PV electricityUnit: MWh



Energy storage system capacityUnit: MWh



202320242025

Low-Carbon Products

With respect to product portfolio, Chery Auto continues to advance its layout of new energy vehicles and low-carbon products, continuously optimize its product mix, and increase the market share of new energy vehicles. By reducing carbon emissions across the full product lifecycle, the Company contributes to the green and low-carbon transition of the mobility sector.

Indicator	Unit	2023	2024	2025
Sales of battery electric passenger vehicles	10,000 vehicles	11.70	20.11	27.41
Sales of plug-in hybrid electric passenger vehicles	10,000 vehicles	2.10	25.88	48.16
Sales of extended-range passenger vehicles	10,000 vehicles	/	1.93	7.08
New NEV models launched in the year	Models	/	9	8
Annual sales of new energy passenger vehicles	10,000 vehicles	13.80	47.92	82.65
Proportion of new energy passenger vehicle sales to total sales	%	8.05	20.87	31.41

Low-Carbon Performance

Chery Auto continues to strengthen carbon management throughout the product life cycle. By expanding product carbon footprint accounting coverage across models currently on sale and tracking vehicle fuel economy and the energy consumption performance of battery electric models, the Company systematically assesses the low-carbon performance of its products and advances emissions reduction throughout the product life cycle.

Indicator	Unit	2023	2024	2025
Number of in-sale models with carbon footprint accounting	Models	72	60	52
Coverage rate of carbon footprint accounting for in-sale models	%	/	96.77	100.00
Average fuel economy of vehicles (China)	L/100 km	/	/	4.86
Average energy consumption of pure electric vehicles (China - CLTC)	kWh/100 km	/	/	13.51
Average energy consumption of pure electric vehicles (EU - WLTP)	kWh/100 km	/	/	16.09

Green Manufacturing

On the manufacturing front, Chery Auto continuously advances the construction of zero-carbon industrial parks, accelerates energy structure optimization and clean energy application, and steadily improves its zero-carbon manufacturing capabilities.

Indicator	Unit	2023	2024	2025
China's Provincial-Level Zero-Carbon Industrial Park	Number	/	3	3

Appendix

Part D of HKEX ESG Reporting Code Index and the IFRS S2 - Climate-Related Disclosures

Disclosure Requirements		Disclosure Location	Disclosure Requirements		Disclosure Location
Governance			D20d/S2 10(d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making	Climate-Related Risks and Opportunities
D19a/S2 6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities	Climate Governance Structure Climate Governance Responsibilities	D21a/S2 13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain	Climate-Related Risks and Opportunities
D19b/S2 6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Climate Governance Responsibilities	D21b/S2 13(b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Climate Scenario Analysis and Financial Impact Assessment
Strategy			D22a/S2 14(a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation	Climate-Related Risks and Opportunities Leading Value Chain Low-Carbon Transition Climate Scenario Analysis and Financial Impact Assessment
D20a/S2 10(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term	Climate-Related Risks and Opportunities	D22b/S2 14(b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a)	Leading Value Chain Low-Carbon Transition
D20b/S2 10(b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk	Climate-Related Risks and Opportunities	D23/S2 14(c)	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a)	Climate Target and Progress
D20c/S2 10(c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur	Climate-Related Risks and Opportunities			

Disclosure Requirements		Disclosure Location
D24a/S2 16(a)	An issuer shall disclose qualitative and quantitative information about: how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	Climate-Related Risks and Opportunities Climate Scenario Analysis and Financial Impact Assessment
D24b/S2 16(b)	An issuer shall disclose qualitative and quantitative information about: the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	Climate-Related Risks and Opportunities
D25a/S2 16(c)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	Climate Scenario Analysis and Financial Impact Assessment
D25b/S2 16(d)	The issuer shall provide qualitative and quantitative disclosures about: how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	Climate Scenario Analysis and Financial Impact Assessment
D26a/S2 22(a)	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances.	Climate Scenario Analysis and Financial Impact Assessment Establishing a Global Climate Resilience System

Disclosure Requirements		Disclosure Location
D26b/S2 22(b)	How and when the climate-related scenario analysis was carried out	Climate Scenario Analysis and Financial Impact Assessment
Risk Management		
D27a/S2 25(a)	The processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks	Climate Risk and Opportunity Management Mechanism Climate Risk and Opportunity Management Process Climate Scenario Analysis and Financial Impact Assessment
D27b/S2 25(b)	The processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities)	Climate Risk and Opportunity Management Process Climate Scenario Analysis and Financial Impact Assessment
D27c/S2 25(c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	Climate Risk and Opportunity Management Process
Metrics and Targets		
D28/S2 29	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as tonnes of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions	Climate-Related Metrics

Disclosure Requirements		Disclosure Location
D29a/S2 29(a)	An entity shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the entity is listed to use a different method for measuring greenhouse gas emissions	Climate-Related Metrics
D29b/S2 29(a)	Disclose the approach it uses to measure its greenhouse gas emissions	Climate-Related Metrics
S2 29(a)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between: (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and (2) other excluded investees (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)	Climate-Related Metrics Given that the Company does not exercise control over certain investees, it has not yet obtained comprehensive, consistent, and verifiable emissions data at this stage; consequently, there is currently no reliable basis for the measurement and presentation of the relevant metrics. To ensure the accuracy, completeness, and comparability of the disclosed information, these metrics have been omitted from this report.
D29c/S2 29(a)	Disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instrument that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions	Climate-Related Metrics

Disclosure Requirements		Disclosure Location
D29d/S2 29(a)	Disclose the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)	Climate-Related Metrics
D30/S2 29(b)	The amount and percentage of assets or business activities vulnerable to climate-related transition risks	Climate Scenario Analysis and Financial Impact Assessment
D31/S2 29(c)	The amount and percentage of assets or business activities vulnerable to climate-related physical risks	Climate Scenario Analysis and Financial Impact Assessment
D32/S2 29(d)	The amount and percentage of assets or business activities aligned with climate-related opportunities	Climate-Related Risks and Opportunities
D33/S2 29(e)	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Climate-Related Risks and Opportunities Climate Scenario Analysis and Financial Impact Assessment
D34a/S2 29(f)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis)	Establishing a Global Climate Resilience System
D34b/S2 29(f)	The price of each tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making	Establishing a Global Climate Resilience System

Disclosure Requirements		Disclosure Location
D35/S2 29(g)	Whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement	Climate Governance Responsibilities
S2 29(g)	The percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations	The relevant compensation arrangements incorporate multiple comprehensive performance metrics, making it currently difficult to accurately disaggregate and quantify the impact of climate-related factors as a single percentage. To ensure the accuracy and comparability of the disclosed information, this percentage has been omitted from this Report.
D36/S2 32	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	Climate-Related Metrics
D37/S2 33	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets	Climate Target and Progress
D38a/S2 34(a)	Whether the target and the methodology for setting the target have been validated by a third party	The target has not been validated by a third party
D38b/S2 34(b)	The issuer's processes for reviewing the target	Climate Governance Responsibilities

Disclosure Requirements		Disclosure Location
D38c/S2 34(c)	The metrics used to monitor progress towards reaching the target	Climate Target and Progress
D38d/S2 34(d)	Any revisions to the target and an explanation for those revisions	The target in this Report has not been modified
D39/S2 35	Information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance	Climate Target and Progress
D40a/S2 36(a)	Which greenhouse gases are covered by the target	Our target covers the relevant greenhouse gases under the GHG Protocol
D40b/S2 36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	Climate Target and Progress
D40c/S2 36(c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target	Climate Target and Progress
D40d/S2 36(d)	Whether the target was derived using a sectoral decarbonization approach	The target-setting methodology referenced a relevant sectoral decarbonization approach.
D40e/S2 36(e)	Plans to use carbon credits to offset greenhouse gas emissions in order to achieve any net greenhouse gas emission targets	Leading Value Chain Low-Carbon Transition

Index to Chinese Sustainability Disclosure Standards for Business Enterprises No. 1 – Climate (Trial) Issued by the Ministry of Finance

Disclosure Requirements		Disclosure Location	Disclosure Requirements		Disclosure Location
Chapter 2 Governance			Chapter 3 Strategy		
Article 5	The objective of climate-related information disclosure on governance is to enable information users to understand the governance structure, controls and procedures adopted by the entity to manage and oversee climate-related risks and opportunities.	Climate Governance Structure Climate Governance Responsibilities	Article 11	When disclosing climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, an entity shall: (1) describe climate-related risks and opportunities ; (2) specify, for each climate-related risk, whether it is a physical risk or a transition risk; (3) specify the time horizons over which each risk and opportunity could reasonably be expected to affect the entity's prospects, and explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used for strategic decision-making; and (4) disclose the current and anticipated effects of those risks and opportunities on the entity's business model and value chain, as well as areas of concentration for those risks and opportunities, including specific activities, business relationships, geographical areas, facilities and types of assets.	Climate-Related Risks and Opportunities Climate Scenario Analysis and Financial Impact Assessment
Article 6	An entity shall disclose information about the governance body(s) or individuals responsible for oversight of climate-related risks and opportunities.	Climate Governance Responsibilities			
Article 7	An entity shall disclose management's role in managing and overseeing climate-related risks and opportunities.	Climate Governance Responsibilities	Article 12	An entity shall disclose the effects of climate-related risks and opportunities on its strategy and decision-making, including: (1) current and anticipated changes to the business model and resource allocation to address the relevant risks and opportunities; (2) current and anticipated direct mitigation and adaptation efforts, for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications; (3) current and anticipated indirect mitigation and adaptation efforts, for example, through working with customers and supply chains; (4) the climate transition plan, including key assumptions and the basis for those assumptions; (5) how the entity plans to achieve any climate-related targets, as well as targets it is required to meet by national laws, regulations and strategic plans, including but not limited to greenhouse gas emission targets; (6) Information on current and planned resource allocation to support the above activities; (7) Quantitative and qualitative information on the progress of plans from previous reporting periods, as disclosed in accordance with items (1) to (5) of this article.	Climate-Related Risks and Opportunities Climate Scenario Analysis and Financial Impact Assessment Leading Value Chain Low-Carbon Transition
Article 8	Where an entity has established an integrated governance structure and internal policies for the management and oversight of sustainability-related risks and opportunities, it may provide integrated disclosures for the requirements set out in Articles 6 to 7, instead of providing separate disclosures for climate-related governance information.	Climate Governance Responsibilities			
Article 9	An entity is encouraged to utilize the internal audit function to oversee climate-related risks and opportunities and to engage third-party assurance providers to provide assurance over climate-related information.	Climate Governance Responsibilities Assurance Statement			

Disclosure Requirements		Disclosure Location
Article 13	An entity shall disclose the current and anticipated financial effects of climate-related risks and opportunities, including: (1) the effects of those risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period; (2) the climate-related risks and opportunities that could result in a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported; and (3) how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy, investment and disposal plans, and sources of funding for managing climate-related risks and opportunities.	Climate-Related Risks and Opportunities Climate Scenario Analysis and Financial Impact Assessment
Article 14	An entity shall disclose innovative measures and their effectiveness in contributing to climate change mitigation and adaptation within its production and operations, along with the costs incurred for such measures.	Leading Value Chain Low-Carbon Transition
Article 15	Where an entity engages in transactions or events such as emissions trading, purchasing green electricity certificates, developing voluntary greenhouse gas emission reduction projects, purchasing carbon credits, or entering into renewable energy contracts, it shall disclose the related capitalized costs, expenses, gains or losses, as well as the effects of such transactions or events on the relevant financial statements in the next annual reporting period.	The financial details of the relevant transactions are the Company's core operational information and commercially sensitive data. Disclosing the relevant costs or gains could adversely affect the Company's economic interests; therefore, such information is not disclosed.

Disclosure Requirements		Disclosure Location
Article 17	An entity shall use climate-related scenario analysis to assess its climate resilience based on the identified climate-related risks and opportunities, and shall disclose.	Establishing a Global Climate Resilience System Climate Scenario Analysis and Financial Impact Assessment
Article 18	An entity shall determine an approach to climate-related scenario analysis based on its exposure to climate-related risks and opportunities, and its available skills, capabilities and resources.	The Company has identified climate-related risks and opportunities, and has carried out climate scenario analysis and a quantitative assessment of their financial effects.
Article 19	An entity may conduct climate-related scenario analysis in line with its strategic planning cycle.	Climate Scenario Analysis and Financial Impact Assessment
Chapter 4 Risk and Opportunity Management		
Article 21	The objective of climate-related disclosures on risk and opportunity management is to enable information users to understand the entity's processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities, including whether and how those processes are integrated into the entity's overall risk management process.	Climate Risk and Opportunity Management Process
Article 22	An entity shall disclose its processes and policies for identifying, assessing, prioritizing and monitoring climate-related risks.	Climate Risk and Opportunity Management Process Climate Scenario Analysis and Financial Impact Assessment

Disclosure Requirements		Disclosure Location
Article 23	An entity shall disclose its processes for identifying, assessing, prioritizing and monitoring climate-related opportunities, including how climate-related scenario analysis is used to identify climate-related opportunities.	Climate Risk and Opportunity Management Process Climate Scenario Analysis and Financial Impact Assessment
Article 24	An entity shall disclose the extent to which and how its processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into the entity's overall risk management process.	Climate Risk and Opportunity Management Process
Chapter 5 Metrics and Targets		
Section 1: Climate-related Metrics		
Article 27	An entity shall disclose information related to cross-industry metrics, including: (1) greenhouse gases; (2) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to physical risks; (3) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to transition risks; (4) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities; (5) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; (6) internal carbon prices; and (7) remuneration.	Climate Governance Responsibilities Climate Scenario Analysis and Financial Impact Assessment Climate-Related Metrics

Disclosure Requirements		Disclosure Location
Article 28	An entity shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, classified as Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, and expressed as tonnes of CO ₂ equivalent.	Climate-Related Metrics
Article 29	When disclosing greenhouse gas emissions, an entity may use information for reporting periods that are different from its own reporting period.	If greenhouse gas emissions information from the value chain with a different reporting period is used, the Company will use data consistent with the reporting period and reasonably consider the effects of significant changes during the period on emissions accounting.
Article 30	An entity shall measure its greenhouse gas emissions in accordance with the corporate carbon emission accounting standards formulated by relevant national departments, and disclose the basis for the measurement.	Climate-Related Metrics
Article 31	An entity shall disclose the methodologies used to measure greenhouse gas emissions.	Climate-Related Metrics

Disclosure Requirements		Disclosure Location
Article 32	For Scope 1 and Scope 2 greenhouse gas emissions, an entity shall disaggregate emissions between the consolidated entity and other investees. Other investees include associates, joint ventures and unconsolidated subsidiaries.	Climate-Related Metrics Given that the Company does not exercise control over certain investees, it has not yet obtained comprehensive, consistent, and verifiable emissions data at this stage; consequently, there is currently no reliable basis for the measurement and presentation of the relevant metrics. To ensure the accuracy, completeness, and comparability of the disclosed information, these metrics have been omitted from this report.
Article 33	An entity shall disclose its location-based Scope 2 greenhouse gas emissions, and provide contractual information that helps enable an understanding of the total Scope 2 emissions. Contractual information involving state secrets, the disclosure of which is prohibited by laws and regulations, or which is commercially sensitive, may be exempted from disclosure.	Climate-Related Metrics
Article 34	An entity shall identify and disclose the categories included in the measurement of Scope 3 emissions based on its value chain and the Scope 3 greenhouse gas emission categories. An entity may limit the measurement of greenhouse gas emissions from Scope 3, Category 15 "Investments" to the scope of financed emissions.	Climate-Related Metrics
Article 35	If an entity's operations involve asset management, commercial banking or insurance, it shall disclose information related to financed emissions.	The Company is not involved in asset management, commercial banking or insurance activities.

Disclosure Requirements		Disclosure Location
Article 36	The quantification of Scope 3 greenhouse gas emissions involves two approaches: direct measurement and estimation.	Climate-Related Metrics
Article 37	Where an entity uses estimates to measure Scope 3 greenhouse gas emissions, it may use the following two types of inputs: (1) Data representing the entity's activities that result in greenhouse gas emissions; (2) Emission factors that convert the data in (1) into greenhouse gas emissions. In rare cases where an entity, after making all reasonable efforts, is still unable to estimate its Scope 3 greenhouse gas emissions, it shall disclose its approach to managing Scope 3 greenhouse gas emissions.	Climate-Related Metrics
Article 38	Regarding internal carbon prices, an entity shall disclose an explanation of whether and how the entity is applying a carbon price in decision-making, such as investment decisions, transfer pricing and scenario analysis, and disclose the price for each tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions. The entity may use approaches such as a shadow price or an internal tax or fee.	Establishing a Global Climate Resilience System
Article 39	An entity shall disclose whether and how climate-related considerations are factored into executive management remuneration.	Climate Governance Responsibilities
Section 2: Climate-related Targets		
Article 41	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, as well as the climate-related targets it is required to meet by laws, regulations and strategic plans, including greenhouse gas emission targets.	Climate Target and Progress

Disclosure Requirements		Disclosure Location	Disclosure Requirements		Disclosure Location
Article 42	For each greenhouse gas emissions target, an entity shall disclose: (1) which greenhouse gases are covered by the target; (2) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (3) whether the target is a gross emissions target or a net emissions target. If it is a net emissions target, the entity shall separately disclose its associated gross emissions target; (4) whether the target was derived using a sectoral decarbonization approach; and (5) progress towards achieving the target.	Climate Target and Progress	Article 44	An entity shall disclose its performance against each climate-related target, and an analysis of trends or changes in the entity's performance.	Climate Target and Progress
Article 43	An entity shall disclose its methodology for setting and reviewing each target, and how it monitors progress against each target, including: (1) whether the target and the methodology for setting the target have been verified by a third party; (2) the process for reviewing the target; (3) the metrics used to monitor progress towards achieving the target; and (4) any revisions to the target and an explanation for those revisions, if applicable.	Climate Target and Progress	Article 45	If an entity plans to use carbon credits to offset greenhouse gas emissions to achieve a net emissions target, it shall disclose: (1) the extent to which and how the net emissions target relies on carbon credits; (2) the name of the third party that verifies the carbon credits and the certification scheme; (3) the name of the voluntary emission reduction trading mechanism under which the carbon credits are issued, and the country where the project is located; (4) the type of carbon credits, including whether the offset is achieved through emission reductions or removals, and whether it is nature-based or technology-based; and (5) any other factors necessary to understand the credibility and integrity of the carbon credits, such as assumptions about the permanence of the offset.	Leading Value Chain Low-Carbon Transition
			Article 46	When identifying and disclosing the metrics used to set and monitor progress towards climate-related targets, an entity shall refer to and consider the applicability of cross-industry metrics and industry-based metrics.	Climate Target and Progress Climate-Related Metrics

奇瑞汽车
CHERY AUTO

