



Shandong Linglong Tyre Co., Ltd.

2024 Sustainability Report



<https://www.linglong.cn>

No. 777 Jinlong Road, Zhaoyuan City, Shandong Province

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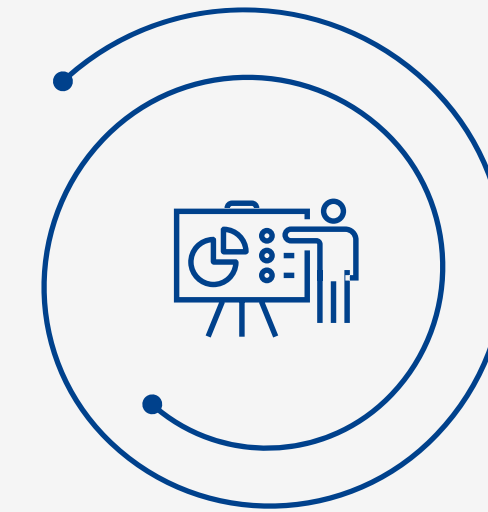
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About This Report

This is the eighth Sustainability Report presented by Shandong Linglong Tyre Co., Ltd. ("Company" or "Linglong Tire") with an aim to disclose to all stakeholders the Company's sustainability philosophy in operation, management methods, implemented work and achieved results.

Reporting Scope

The scope of this report covers Shandong Linglong Tyre Co., Ltd. and its subsidiaries, which are shown in the following table. Unless otherwise stated, the scope is consistent with that of the Consolidated Financial Statements of Linglong Tire (stock code: 601966.SH) in the same period.

Full name	Short name
Shandong Linglong Tyre Co., Ltd.	Linglong Tire, Company
Jilin Linglong Tyre Co., Ltd.	Jilin Linglong
Dezhou Linglong Tyre Co., Ltd.	Dezhou Linglong
Hubei Linglong Tyre Co., Ltd.	Hubei Linglong
Guangxi Linglong Tyre Co., Ltd.	Guangxi Linglong
Linglong International Tire (Thailand) Co., Ltd.	LLIT
Linglong International Europe d.o.o. Zrenjanin	LLIE

Reporting Period

The reporting period is from January 1, 2024, to December 31, 2024. Unless otherwise stated, the data in this report is those within this period.

Basis of Preparation

This report has been prepared in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standard Operation* (Revised in December 2023), and with reference to the *Enterprise Sustainability Disclosure Standard – Basic Criteria (Trial)* by the Ministry of Finance of the People's Republic of China, the *GRI Sustainability Reporting Standards (2021)* ("GRI Standards") by the Global Sustainability Standards Board (GSSB), the standards of the Sustainability Accounting Standards Board (SASB) ("SASB Standards"), the *IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures* (June 2023) (IFRS S2) by the International Sustainability Standards Board (ISSB), and the United Nations Sustainable Development Goals (SDGs).

Report Preparation Principles

- Accuracy** This report is intended to be as accurate as possible. To be specific, the data standard, calculation basis, and assumptions have been explained in the quantitative information to guarantee that the calculation error range will not mislead the users. Quantitative information and notes are detailed in the sections of this report.
- The Board of Directors warrants that there are no false records, misleading statements or material omissions in this report.
- Balance** The information in this report reflects objective facts and impartially discloses positive and negative information related to the Company. During the reporting period, no negative events requiring disclosure were found to be undisclosed.
- Clarity** This report is released in both simplified Chinese and English. This report contains information such as tables, model diagrams, and a glossary of proper nouns as supplements to facilitate a better understanding by stakeholders. To facilitate faster access to information, this report provides a table of contents and a standard index.
- Comparability** This report discloses key quantitative performance indicators and, wherever possible, historical data. The statistics and disclosure of the same indicator in this report are consistent from one reporting period to another; any change shall be fully explained in the notes, to enable stakeholders to conduct meaningful analyses and assess the development trend of the Company's sustainability performance level.
- Integrity** The scope of the disclosure object shall be in line with that of the Company's Consolidated Financial Statements.
- Materiality** The Company identified the material topics related to its operations that are of concern to stakeholders such as investors, and these topics serve as the key focus of this report. In this report, the reporting on material topics takes into account both the industry characteristics involved in the Company's operations and the regional features tied to the Company's location. For a detailed analysis process and results of the material topics, please refer to the "Assessment of the Materiality of Sustainability Topics" section of this report. This report highlights environmental, social and governance (ESG) matters that may have a significant impact on investors and other stakeholders.
- Timeliness** This is an annual report covering the period from 1 January 2024 to 31 December 2024. The Company publishes this report and its annual report at the same time to provide stakeholders with timely information for decision-making.
- Verifiability** The cases and data in this report were taken from the original records or financial reports of the Company's actual operations. The data and information in the report are all traceable and verifiable.

Notes on Data

The financial data in this report is cited from the *2024 Annual Report of Shandong Linglong Tyre Co., Ltd.* The other disclosed text, cases, and data are all from the original records of the Company's actual operations. In case of any discrepancies with the Company's annual financial report, the annual Consolidated Financial Statements financial report shall prevail. Unless otherwise specified, the currency amounts involved in the report are denominated in RMB.

For the calculation of quantitative information in this report, the data standard, calculation basis, and assumptions have been stated, and the statistical and disclosure methods for the same indicator are kept consistent across different reporting periods. If there are changes in the statistical and disclosure procedures, sufficient explanations are provided in the report's notes to ensure that the data disclosure does not mislead stakeholders.

Confirmation and Approval

This report was approved by the Board of Directors on April 24, 2025.

External Assurance

This report has been assured by SGS as an independent third party and the assurance statement is attached.

Access to this Report

This report is released in electronic format on the official website of the Shanghai Stock Exchange, *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily*, and the Company's official website.

If you have any suggestions for this report, please contact us through the following methods:

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-  E-mail: linglongdsb@linglong.cn
-  Tel.: 0535-8242726

Chairman's Message

In 2024, ongoing regional conflicts and intensified trade frictions worldwide have exacerbated the uncertainties of global development. However, the inherent resilience of human society continues to propel the entire social structure forward at a rapid pace. A series of achievements representing the future development directions of humanity, such as artificial intelligence, low-altitude economy, embodied intelligence, quantum technology, and lunar exploration, are dazzling and eye-catching. The gradual recovery of the global economy and the rapid development of new energy vehicles (NEVs) have also injected new vitality into the global tire market, with terms like "sustainability", "circularity", and "green and low-carbon" gradually becoming new labels for the tire industry.

As a green and low-carbon tire company, Linglong Tire, under the guidance of the national "Carbon Peak and Carbon Neutrality" strategy and the global trend of sustainable development, is firmly committed to a path of coordinated development between green environmental protection and high-quality growth. It actively constructs a Linglong value system that is "green", "harmonious", "smart", and "compliant", and continuously promotes the development of "new-quality productive forces". The Company has achieved remarkable success in various fields, including ESG, and is leading the sustainable development of the industry.



Exploring the Full Life Cycle of Near-Zero Carbon Products

In terms of the environment, Linglong Tire actively explores green, low-carbon, and efficient production models, sets a carbon neutrality target for 2050 and defines the implementation path for carbon emission reduction. The Company develops eco-friendly products, and empowers the realization of the "carbon peaking and carbon neutrality" goals.

In 2024, LLIE officially went into mass production, which is an important milestone in the sustainability of Linglong Tire. LLIE advocates a "four-new" factory model of "green, clean, civilized, and lean". Cutting-edge technologies such as artificial intelligence, industrial robots, and industrial big data are integrated into the design and construction process. While ensuring high quality, LLIE achieves greener, smarter, and more efficient production, setting an example for the green and intelligent development of the entire industry.

Also in 2024, Linglong Tire launched the industry's first eco-friendly green tire that uses itaconate bio-based rubber, recycled carbon black, and other sustainable materials, with a content of up to 79%. This reduces the dependence on traditional petrochemical raw materials. It also improves the recyclability of the product, reduces carbon emissions throughout the entire life cycle of the product, and helps the entire industry explore the path of product sustainability.



Constructing a Win-win Responsibility System for Both Enterprise and Society

In terms of society, Linglong Tire adheres to a people-oriented approach, working together with employees and society to achieve win-win results and promote the harmonious development of the Company.

Linglong Tire places great emphasis on the significant advantages that accumulate from the personal development and growth of the employees. On the basis of safeguarding the legitimate rights and interests of the employees, the Company provides them with rich training opportunities and broad career development platforms. Linglong Tire promotes the personal development of employees via welfare benefits, training sessions, and multiple promotion channels, which in turn contributes to the continuous progress of the Company.

Linglong Tire also believes that the harmonious development between enterprise and society is the foundation for existence. By establishing a reliable after-sales service system that consumers can trust, Linglong Tire actively safeguards consumer rights and interests, and also encourages the subsidiaries to participate in local community development and public welfare activities. Furthermore, Linglong Tire builds a mutually beneficial and win-win mechanism across the entire industry chain, including suppliers, distributors, and consumers, thereby enhancing the resilience for sustainable development.



Strengthening the Foundation for the Healthy and Compliant Operation of the Enterprise

In terms of corporate governance, Linglong Tire firmly operates in accordance with laws and regulations, adhering to the bottom line of integrity, and continuously promoting ESG and sustainability management, thereby ensuring the continuous, standardized, and healthy development of the Company. In 2024, Linglong Tire further optimized the ESG management system and established a dedicated ESG department to comprehensively promote the achievement of various ESG goals, and to optimize corporate governance.

Internally, Linglong Tire develops and continuously improves a series of management systems and processes to ensure compliant operation. The Company firmly opposes illegal and non-compliant behaviors including corruption, commercial bribery, and money laundering. Linglong Tire treats minority shareholders equally and brings sustainable returns to investors.

Externally, Linglong Tire implements a Green Supply Chain Program to enhance compliance governance, integrating green manufacturing, product lifecycle management, and extended producer responsibility into our supply chain management framework. This integration expands the reach and depth of our supply networks, strengthening the Company's global competitiveness.

Breaking through upheaval and seizing opportunity, Linglong Tire has created a milestone achievement in sustainability in 2024. The successful implementation of multiple projects signifies that the Company's medium- and long-term strategic plans have yielded phased results. These achievements have garnered high acclaim from international ESG rating agencies, original equipment manufacturers (OEMs), and customers.

Looking ahead to 2025, as a responsible enterprise, Linglong Tire will persistently pursue a path of sustainable development and will steadfastly focus on areas such as green and clean production, low-carbon and circular products, intelligent transformation, and the construction of a green supply chain. Through concrete actions, the Company will drive high-quality sustainable development for the Company, the industry, and the broader society and economy.






Shandong Linglong Tyre Co., Ltd.
Chairman, President

Linglong Tire's Sustainability Highlights in 2024

Sustainability Planning and Progress

Centering on the development of a "Green Linglong", "Smart Linglong", "Harmonious Linglong", and "Robust Linglong", Linglong Tire makes efforts to build itself into an international tire company with advanced technology, complete supporting facilities, environmental friendliness, high production efficiency, excellent product quality, and strong competitiveness by developing a 2030 sustainability strategy plan, identifying a new positioning, and strengthening new advantages. The Company promotes the process of the 2030 sustainability plan and helps to achieve sustainability goals.

Linglong Tire's Sustainability Goals and Progress in 2024

Aspect	Key indicator	Goal	Progress in 2024	Progress
 Environmental	Carbon emission intensity per unit of product	1.5% decrease in 2024 compared to 2023	0.94 tCO ₂ /t, a 1.95% decrease compared to 2023	Completed
	Photovoltaic (PV) power generation	9% of PV power generation in 2024	9.19%	Completed
	Application of sustainable materials in tires	85% by the end of 2028	79%	In progress
 Social	Number of four-orientation factories ^①	Construction of four-orientation factories from new factories	A total of 4 four-orientation factories in 2024	In progress
	Number of lighthouse factories ^②	Two domestic lighthouse factories by 2030 ^③	The full-process data-driven intelligent factory for high-end tires of Linglong Tire has been selected for the Excellence-level Smart Factory (First Batch) project of the Ministry of Industry and Information Technology of China Automated logistics system in the Serbian factory	In progress
	Annual completion rate of informatization projects	100%	100%	Completed
	Customer satisfaction	Not less than 97.75% in 2024	99.64%	Completed
	Recordable work-related injury rate per million working hours	< 1.0 time per million hours in 2030	1.21 times per million hours	In progress
	Proportion of newly recruited female employees	> 15% in 2024	16.08%	Completed
	Proportion of employees with signed collective contracts	100% in 2024	100%	Completed
 Sustainability governance	Signing rate of the <i>Anti-bribery Agreement</i> with business partners	100% in 2024	100%	Completed
	Coverage of directors' business ethics training	100% in 2024	100%	Completed

Note^① "Four-orientation Factories" refer to automated, digital, intelligent, and unmanned factories.


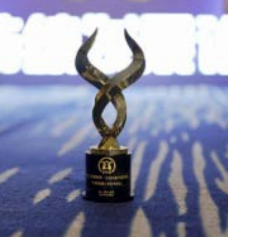






Note^② "Lighthouse Factory" program, jointly selected by World Economic Forum Davos and McKinsey & Company, is known as one of the "World's Most Advanced Factories". Lighthouse Factory is regarded as a role model for "digital manufacturing" and "globalization 4.0", representing the highest level of intelligent manufacturing and digitalization in the global manufacturing sector today.

Note^③ This refers to the construction of existing and new factories according to the standards of lighthouse factories.

Sustainability-related Honors and Recognitions in 2024



	<p>In 2024, the MSCI ESG rating of Linglong Tire was at BB level, ranking at a leading level among Chinese tire companies.</p>
	<p>The SAQ 5.0 rating was B95.</p>
	<p>As of December 2024, the ESG evaluation of China Securities Index for Linglong Tire was at AA level.</p>
	<p>In 2024, the Sino-Securities ESG comprehensive rating for Linglong Tire was at AA level, with ESG performance ranking first among Chinese tire companies.</p>
	<p>The Company's case was chosen as a model sustainability case in the Chinese automotive industry in 2024.</p>
	<p>The Company was selected in the list of "the TOP500 Brand Ranking in China" released by World Brand Lab.</p>
	<p>The Company won the Ernst & Young Sustainable Outstanding Enterprise Award.</p>

<p>In November 2024, the Company won the "2023 Annual Golden Information Disclosure Award - Jin Niu Award" from the <i>China Securities Journal</i>.</p>	
<p>The Company won the "Second Guoxin Cup - ESG Jin Niu Award" from the <i>China Securities Journal</i>.</p>	
<p>The Company was selected in the "Value 100" list of the Second E-Board ESG+8.</p>	
<p>The Company's case was selected as a "Typical Case of Global Brand Sustainability" by the Organizing Committee of the Global Brand Innovation and Development Think Tank Forum.</p>	
<p>The Company won the Jin Wu Award in 2024 and has received the 5A rating for the performance of its board secretary for three consecutive years.</p>	
<p>In 2024, the Company was awarded the 5A rating for the performance evaluation of its board secretary.</p>	
<p>The Company won the Golden Quality Award - Excellent Board Secretary Award from the <i>Shanghai Securities News</i> in 2024.</p>	
<p>In 2024, the Company's case was selected as an exemplary practice case among listed companies' board of directors.</p>	



About Linglong Tire



Company Profile

Founded in 1975, Shandong Linglong Tyre Co., Ltd. is a professional, large-scale and technology-oriented tire manufacturer integrating the design, development, manufacturing and sale of tires.

Linglong Tire Basic Information

Chinese name	山东玲珑轮胎股份有限公司
English name	Shandong Linglong Tyre Co., Ltd.
Stock code	601966.SH (listed on the main board of the Shanghai Stock Exchange)
Headquarter	Zhaoyuan, Shandong
Main business	Tire design, development, manufacturing and sales
Main products	<p>Product type: Passenger vehicle and light truck radial tires, truck and bus radial tires, and off-road tires</p> <p>Product applications: Widely used in passenger cars, commercial vehicles, and construction machinery vehicles, and sold to 173 countries and regions around the world including Europe, the Middle East, the Americas, the Asia-Pacific region, and Africa</p>
Business network	28 subsidiaries, 7 R&D institutions, and 7 manufacturing bases globally
Operating income	RMB 22.058 billion
Total output	85,447.1 thousand tires
Total assets	RMB 47.083 billion
Total number of current employees	17,783 ^①

Note^① The total number of current employees is consistent with the annual financial report of the Company.

LINGLONG CULTURE

Enterprise spirit

Solidarity, hard-working,
striving for first-class enterprise



Management idea

Make China famous-brand product, establish
the world's first-class enterprise
User satisfaction is Linglong Tire's work
standard

Enterprise policy

Center on R&D, grasp management,
build famous brand, increase benefit

Tire Manufacturing Process of Linglong Tire



Mixing

The mixing process is the first process of tire production, which is the process of mixing and dispersing raw materials such as raw rubber, reinforcing filler, antioxidant and vulcanizing agent in the mixing machine. The process is under comprehensive and precise control ranging from material formulation, feeding and mixing to testing, storage and release through PLC system and MES system. The comprehensive error prevention technology is implemented at key procedures to create rubber materials with different properties for different tire components. Then the rubber materials are released to the next process after passing the inspection.



Component preparation

This process is the preparation of tire components, including the tread, sidewall, carcass, belt, bead, liner, cap ply, etc. All the components produced in this step will be transported to the tire building process for assembly.



Tire building

The tire building process is to assemble all components with the aid of the tire building machine to generate the green tire. After the appearance and weight of the green tire are checked, it will be transported to the curing process for vulcanization.



Curing

The curing process is to load the green tire into the mold with the specified size, pattern and logo, and turn the green tire into a finished tire with the corresponding pattern and sidewall logo through the appropriate time, pressure and temperature in the vulcanization machine. After vulcanization, the finished tire is transported to the finished product inspection process for testing to ensure that the quality of the tire meets the requirements.



Finished products inspection

This process is the inspection process of finished tires. After tire appearance is qualified by 100% visual inspection, tire dynamic balance & uniformity detection and X-ray detection are carried out. After passing the inspection, the tire is transported to the finished product warehouse for shipment.

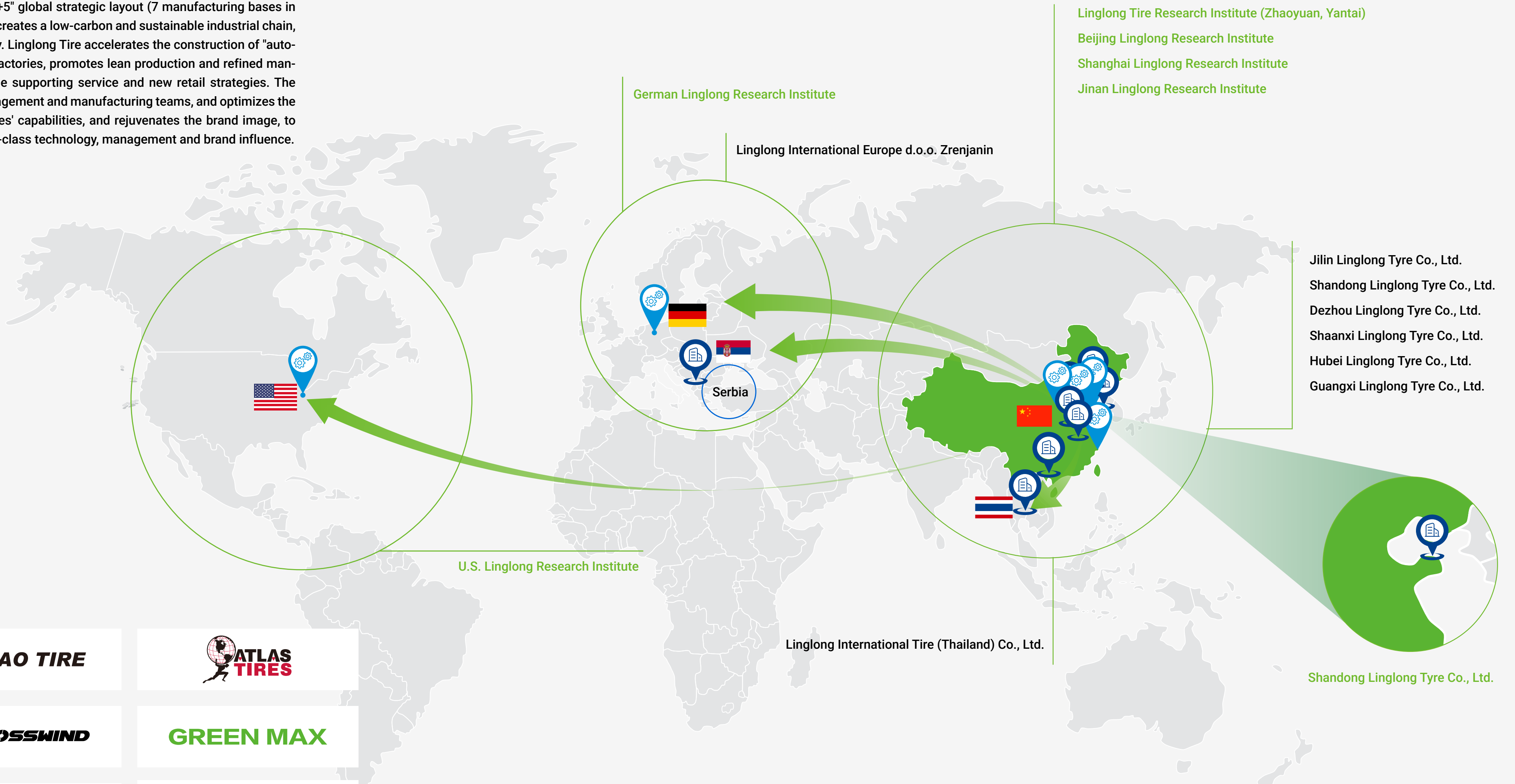


Tire testing

In the process of designing new tire specifications, tires must undergo rigorous safety tests such as high-speed durability. According to the performance requirements of different models, roll resistance, noise and other performance tests will be carried out, as well as various subjective and objective evaluation tests such as dry and wet braking and handling stability for real vehicles.

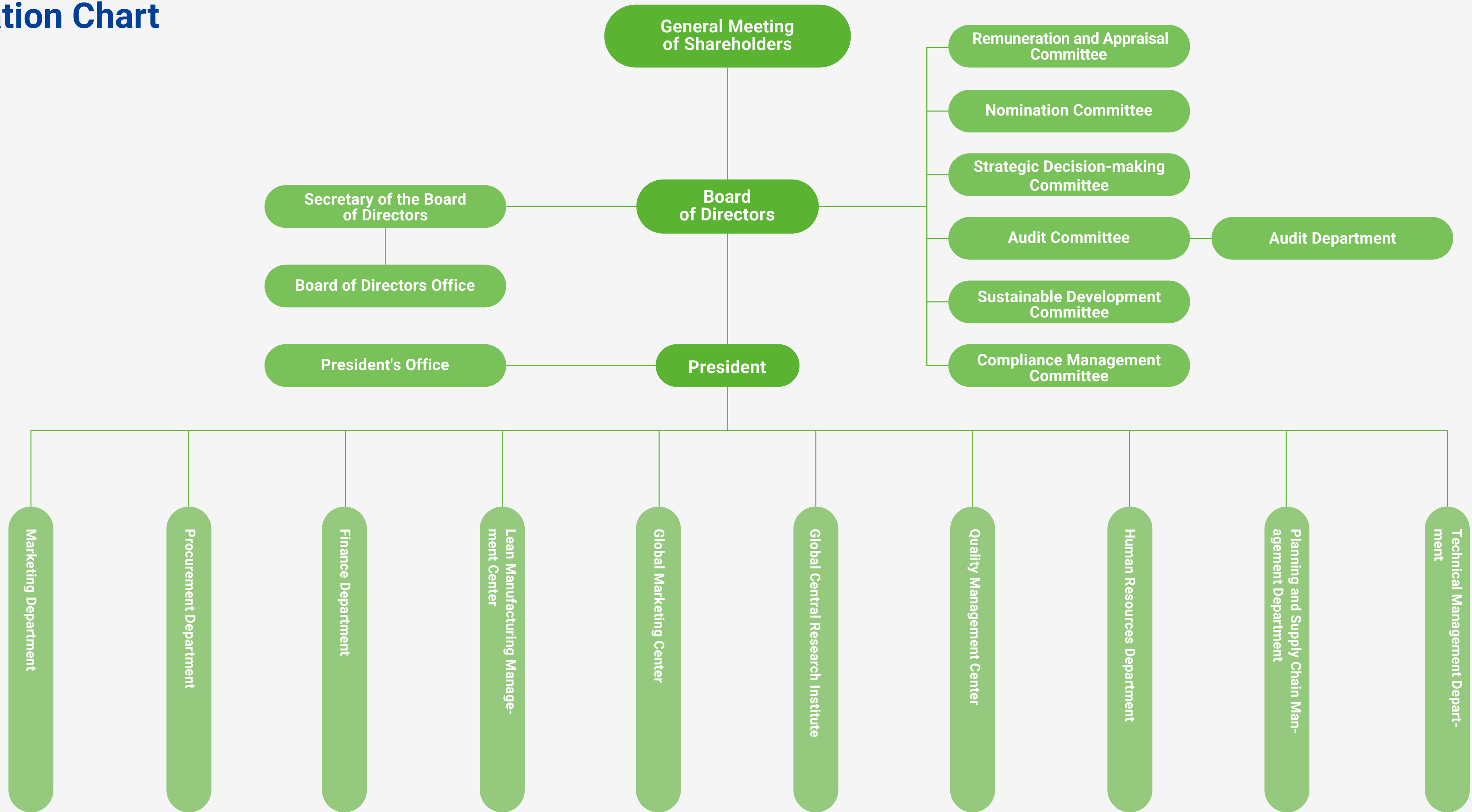
Strategic Layout

Linglong Tire firmly promotes the implementation of the "7+5" global strategic layout (7 manufacturing bases in China and 5 manufacturing bases overseas). The Company creates a low-carbon and sustainable industrial chain, and implements the innovation-driven development strategy. Linglong Tire accelerates the construction of "automated, digital, intelligent, and unmanned" four-orientation factories, promotes lean production and refined management, to consolidate product quality, and upgrades the supporting service and new retail strategies. The Company promotes the localization of R&D, marketing, management and manufacturing teams, and optimizes the allocation of talents. Linglong Tire also enhances employees' capabilities, and rejuvenates the brand image, to become a technology-oriented tire manufacturer with world-class technology, management and brand influence.



Brands of Linglong Tire

Organization Chart



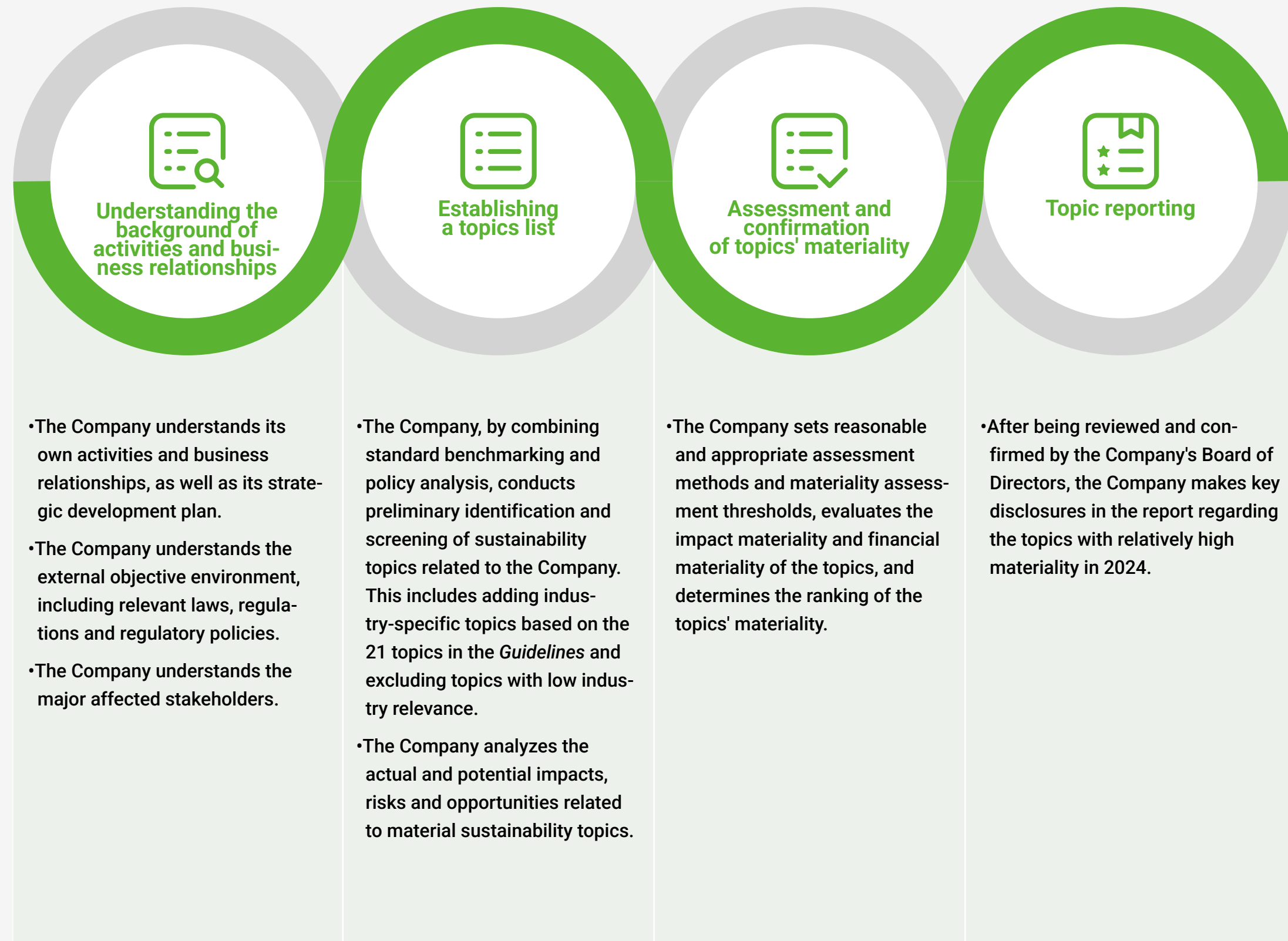


Assessment of the Materiality of Sustainability Topics

Process of Topics' Materiality Analysis

Based on the industry it is in and the characteristics of its business, Linglong Tire regularly identifies, analyzes and manages topics' materiality. In 2024, the Company, based on the information disclosure requirements of the Shanghai Stock Exchange (SSE), policy trends, daily communication with stakeholders, and the key concerns of rating agencies, identified and screened the material topics of the Company, and analyzed and confirmed the materiality of these topics.

Process of Materiality Analysis of Linglong Tire



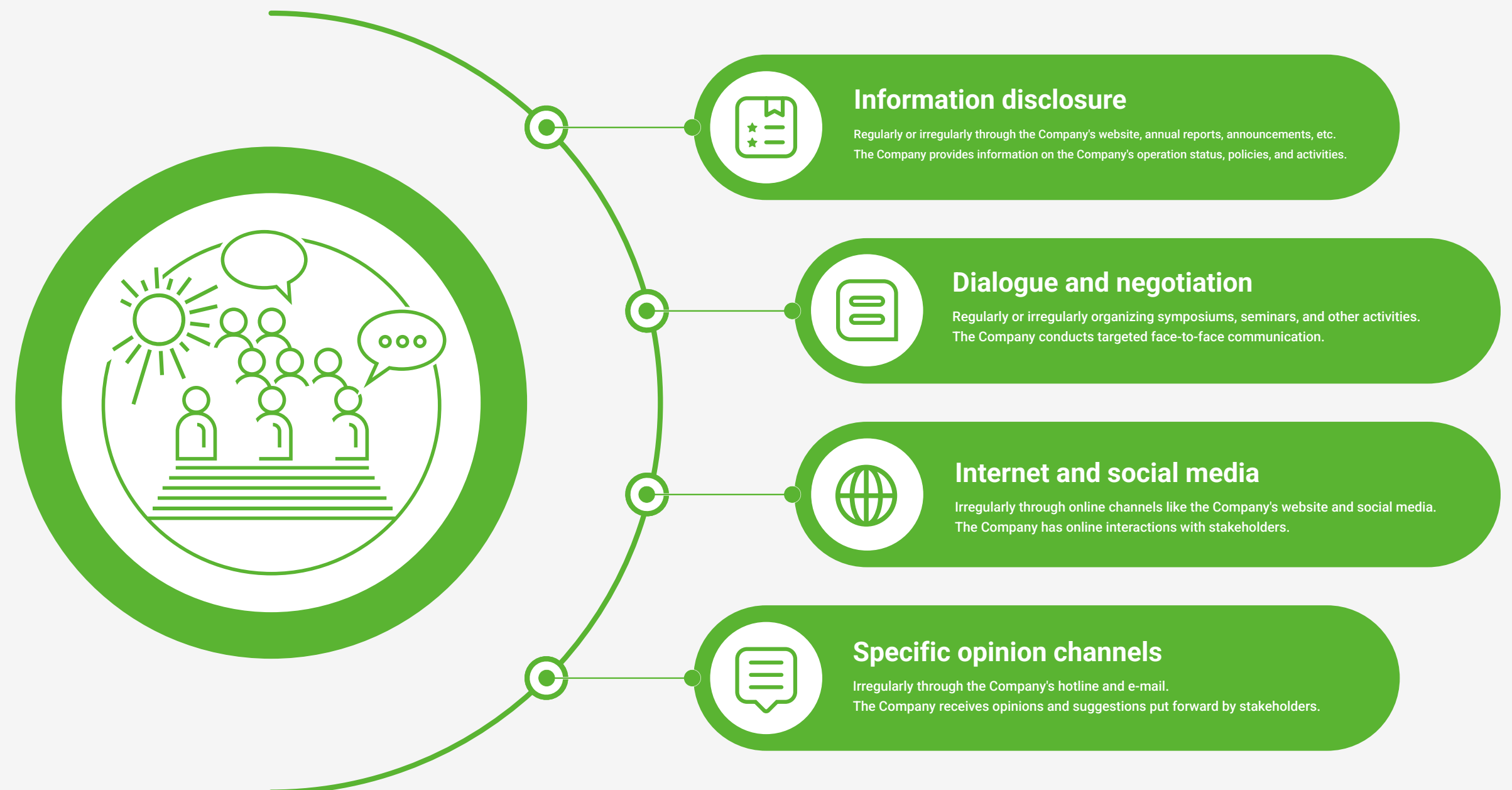
Due Diligence and Stakeholder Communication

Linglong Tire continuously strengthens the identification, response, and management of the impacts, risks, and opportunities related to the Company's daily operations. The Company actively conducts sustainability-related due diligence. Based on the identification and analysis of material topics, Linglong Tire continuously promotes the management of the impacts and risks related to material topics, thereby driving the Company's sustainable development.

Linglong Tire adheres to the establishment of a long-term and effective stakeholder communication mechanism and formulates the Stakeholder Communication System. It aims to enhance communication and cooperation with stakeholders by understanding and addressing their reasonable needs and expectations, thereby strengthening business decision-making, management practices, and the Company's sustainability capabilities through collaborative engagement.

In 2024, according to the business and operation characteristics, the Company identified key stakeholders including employees, shareholders and investors, customers and users, agents and suppliers, government and other regulators, etc. The Company communicates with stakeholders through a variety of channels, including symposiums, seminars, the Company's website, and social media. The Company actively responds to the opinions and suggestions of stakeholders.

Stakeholder Communication Methods and Frequencies of Linglong Tire



Main Stakeholders of Linglong Tire and Their Communication

Main stakeholders	 Employees	 Shareholders and investors	 Customers and users	 Agents and suppliers	 Government and other regulators	 Local communities and the public
Topics of concern	Employee rights and benefits Workplace diversity and inclusion Employee training and development Work safety	Compliant operation Business ethics Corporate governance	Safety and quality of products and services Circular economy Emission and waste management Climate change tackling Workplace diversity and inclusion Digital transformation R&D innovation Supply chain management Business ethics	Supply chain management Safety and quality of products and services Digital transformation Business ethics	Compliant operation Business ethics Corporate governance Emission and waste management Climate change tackling Work safety	Water resource utilization Circular economy Emission and waste management Climate change tackling Biodiversity conservation Work safety Community co-construction and public welfare charity
Communication methods/channels	Trade unions and employee congresses Annual training and regular meetings Irregular meetings Employee satisfaction surveys Corporate e-mail Internet and social media	General Meeting of Shareholders Symposiums, seminars Performance exchange meetings Board of Directors The Company's website, annual reports, announcements	Development of product quality management system Setting of product quality qualification rate indicators Establishment of customer and user communication platforms Customer satisfaction surveys Regular/irregular telephone follow-ups or e-mails Sustainability Assessment Questionnaire (SAQ 5.0) Development and application of intelligent retail systems Establishment of a global R&D system	Evaluation of agents and suppliers Training for agents and suppliers Telephone communication and feedback Development and application of intelligent retail systems	Regular communication and reports Institutional inspections Policy explanation meetings of regulatory authorities The Company's website, annual reports, announcements	Energy conservation and emission reduction projects Recycled water use Development of recycled raw materials Environmental protection projects Establishment of work safety management systems Public welfare donations and volunteer service activities

Conclusion of Materiality Analysis

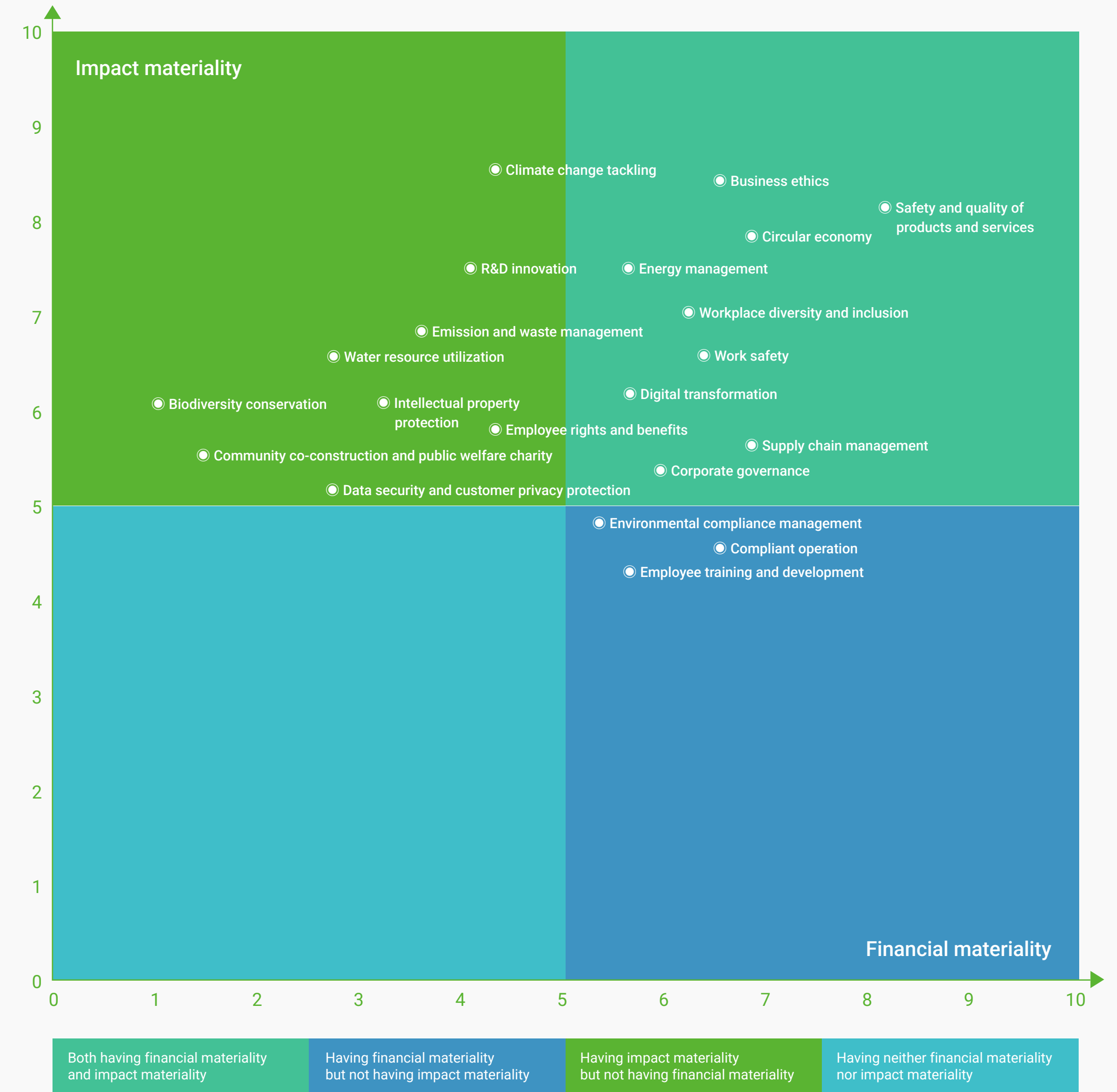
In 2024, by combining the results of stakeholder communication and the opinions of internal and external experts, the Company analyzed the impact and financial materiality of the 21 topics it had screened out. The Company ranked the materiality of these topics, and finally obtained a material topic matrix. This report focuses on disclosing the relevant management and performance of the material topics.

The Company analyzed the actual and potential impacts, risks, and opportunities of the identified topics, evaluated the financial and impact materiality of each topic, and finally summarized the analysis and ranking results of the Company's material topics. This will facilitate the Company conducting further management according to the materiality of each topic.













Major Changes in Linglong Tire's Material Topics in 2024

Material topics in 2023	Material topics in 2024	Changes	Reason for changes
Climate change mitigation and adaptation	Climate change tackling	Optimized description	To align with regulatory requirements, modified the topic description
Raw material and water resource management	Water resource utilization	Optimized description and adjusted definition	To align with regulatory requirements and the key concerns of ratings, optimized the topic description based on the Company's own management practices
Cleantech opportunities	Circular economy		
Responsible procurement	Supply chain management		
Product quality management	Safety and quality of products and services	Optimized description and adjusted definition	To align with regulatory requirements, adjusted the topic description based on the Company's own management practices
Customer relationship management	Work safety		
Occupational health and safety	Work safety	New topics	To align with regulatory requirements, added new topics
---	Data security and customer privacy protection		
---	R&D innovation		
---	Environmental compliance management		








Materiality Matrix of Linglong Tire in 2024



Impacts, Risks, and Opportunities of Linglong Tire's Material Topics in 2024

Material topics in 2024	Key stakeholders affected	Main risks/opportunities	Period ^o	Materiality of the topic	SDGs addressed	Section of disclosure
Climate change tackling	Customers and users Agents and suppliers Government and other regulators Local communities and the public	Acute physical risks, chronic physical risks, policy and legal risks, technological risks, market risks, reputational risks Energy sources, resource efficiency, market opportunities, products and services, resilience	Short, medium, and long term	Impact materiality		Climate change tackling
Circular economy	Shareholders and investors Customers and users Agents and suppliers Government and other regulators Local communities and the public	High difficulty in recycling and reprocessing processes, policy and legal risks Increased utilization rate of raw materials	Short, medium, and long term	Double materiality	 	Circular economy
Energy management	Government and other regulators Agents and suppliers	Investment risks, technological risks, market risks Subsidy incentives, adoption of energy-saving technologies, market opportunities, enhancement of brand image	Short, medium, and long term	Double materiality		Energy management
Water resource utilization	Government and other regulators Local communities and the public	Opportunities of resource sources	Medium and long term	Impact materiality		Water resource utilization
Environmental compliance management	Government and other regulators Local communities and the public	Policy and legal risks, liability and reputational risks	Short and medium term	Financial materiality		Environmental management
Emission and waste management	Government and other regulators Local communities and the public	Liability risks, reputational risks	Medium and long term	Impact materiality		Emission and waste management
Biodiversity conservation	Government and other regulators Local communities and the public	Liability risks, reputational risks, policy risks	Medium and long term	Impact materiality		Biodiversity conservation
Safety and quality of products and services	Customers and users Agents and suppliers Government and other regulators	Compliance risks, risks of product quality affected by production and testing processes, product return risks	Short, medium, and long term	Double materiality		Safety and quality of products and services
Supply chain management	Customers and users Agents and suppliers	Supply chain security risks, suppliers' environmental and social risks	Short, medium, and long term	Double materiality		Supply chain management
Workplace diversity and inclusion	Employees			Double materiality		
Employee rights and benefits	Employees	Workplace diversity risks, employee turnover risks, labor risks, international adaptation risks Opportunities of human capital	Short, medium, and long term	Impact materiality	 	Employees
Employee training and development	Employees			Financial materiality		

Impacts, Risks, and Opportunities of Linglong Tire's Material Topics in 2024

Material topics in 2024	Key stakeholders affected	Main risks/opportunities	Period ^①	Materiality of the topic	SDGs addressed	Section of disclosure
Work safety	Employees Local communities and the public	Risks of personnel injury and equipment damage, risks of occupational diseases	Short, medium, and long term	Double materiality	 	Work safety
Digital transformation	Employees Agents and suppliers	Technological risks, data security risks, risks of organizational culture change, investment risks Opportunities for production efficiency, market opportunities	Short, medium, and long term	Double materiality		Innovation-driven
Data security and customer privacy protection	Government and other regulators Customers and users Agents and suppliers Employees	Liability risks, reputational risks, operational risks	Medium and long term	Impact materiality		Data security and customer privacy protection
R&D innovation	Shareholders and investors Customers and users Agents and suppliers Employees	Market opportunities, opportunities of products and services	Medium and long term	Impact materiality		Innovation-driven
Intellectual property protection	Government and other regulators Employees	Liability risks, reputational risks	Medium and long term	Impact materiality		
Community co-construction and public welfare charity	Government and other regulators Local communities and the public	Market opportunities	Medium and long term	Impact materiality		Community co-construction and public welfare charity
Corporate governance	Shareholders and investors Government and other regulators Customers and users Employees	Risks related to the independence, diversity and professionalism of the board of directors, risks of damage to investors' rights and interests, risks of information disclosure violations, other compliance risks	Medium and long term	Double materiality		Corporate governance
Business ethics	Shareholders and investors Government and other regulators Customers and users Agents and suppliers Employees	Risks of commercial bribery, risks of unfair competition, risks of money laundering	Medium and long term	Double materiality		Business ethics
Compliant operation	Shareholders and investors Government and other regulators Customers and users Agents and suppliers Employees	Liability risks, reputational risks	Medium and long term	Financial materiality		Compliant operation

Note^① Linglong Tire defines the period as short term (within 1 year), medium term (1 to 5 years) and long term (more than 5 years).



Sustainability Management System



Sustainability Concept

Linglong Tire upholds the values of "Create opportunities for employees, value for customers, profits for shareholders and wealth for society". The Company takes "inheriting Linglong's power and building a better community together" as Linglong's concept of social responsibility. Linglong Tire is committed to promoting the Company's green, high-quality and sustainable development by creating a sustainable industrial chain, deeply engaging in R&D innovation, consolidating product quality, upgrading the marketing model, and enhancing brand influence. The Company is striving to become a pioneer enterprise in green sustainability in China's tire industry.

VISION

To become a technology-oriented tire manufacturer with world-class technology, management and brand influence



MISSION

Donate to the community and serve the country by promoting industry



VALUES

Create opportunities for employees, value for customers, profits for shareholders and wealth for society



SOCIAL RESPONSIBILITY

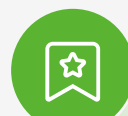
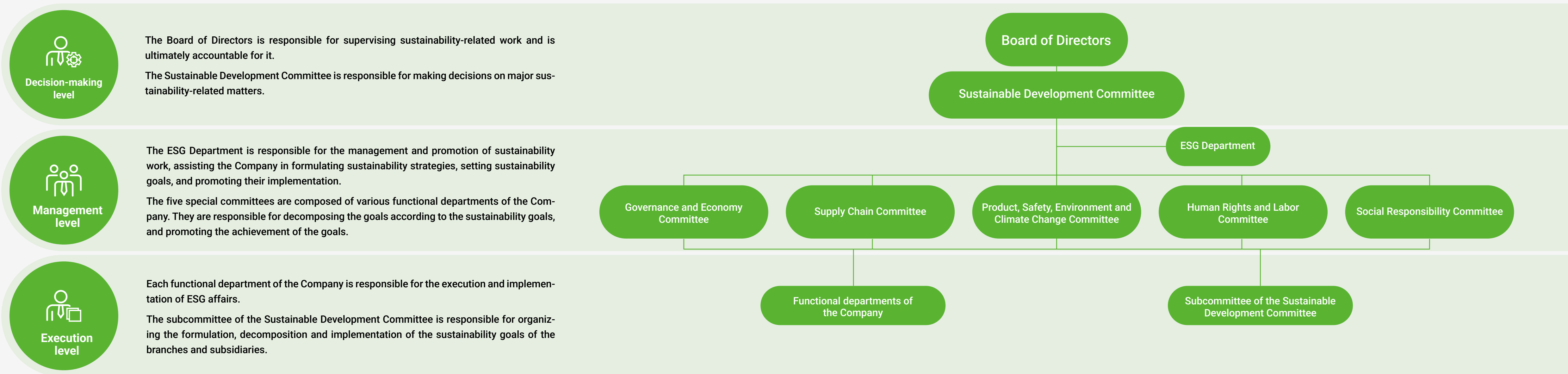
Inheriting Linglong's power and building a better community together



Sustainability Management Structure

Linglong Tire continuously improves the development of the sustainability management system. The Company has established a three-layer management structure of "decision-making - management - execution" to scientifically and effectively promote the Company's sustainability work process. In 2024, the Company formulated the *Regulations on Sustainability Management* and revised the sustainability management structure and the work functions of each level. The Company established the ESG Department as the management department for sustainability work. The ESG Department is responsible for the sustainability-related management of each special committee and subcommittee. For the functions of each special committee, please refer to the *Linglong Tire 2023 Sustainability Report*.

Sustainability Management Structure of Linglong Tire



In 2024, the Company revised the *Guidelines for the Construction of Green, Clean, Civilized and Lean Factories* to improve the sustainability management in each manufacturing base including environmental management, production safety, employee management, and production quality, consequently refining the Company's comprehensive management methods and promoting the Company's sustainability.

To efficiently promote the Company's sustainability, Linglong Tire incorporates sustainability indicators, such as the amount of waste generated in production, energy consumption, and the promotion of the application of sustainable skeleton materials in products in research and development, into the performance appraisals of directors and senior executives. The Company's Board of Directors fully performs its duties of supervision and decision-making on sustainability-related matters, and regularly reviews relevant proposals and matters. The Company regularly organizes sustainability training for directors, senior executives and all employees. In 2024, the Company carried out 2 sustainability training sessions for directors and senior executives of the Company, and carried out 6 sustainability training sessions for all employees, with a total training duration of 12 hours.



Scene of Sustainability Training



Environmental

Green Linglong, Promoting Sustainable Development

Climate Change Tackling

Environmental Management

Energy Management

Circular Economy

Water Resource Management

Emission and Waste Management

Ecosystem and Biodiversity Conservation



Climate Change Tackling







Climate Change Tackling

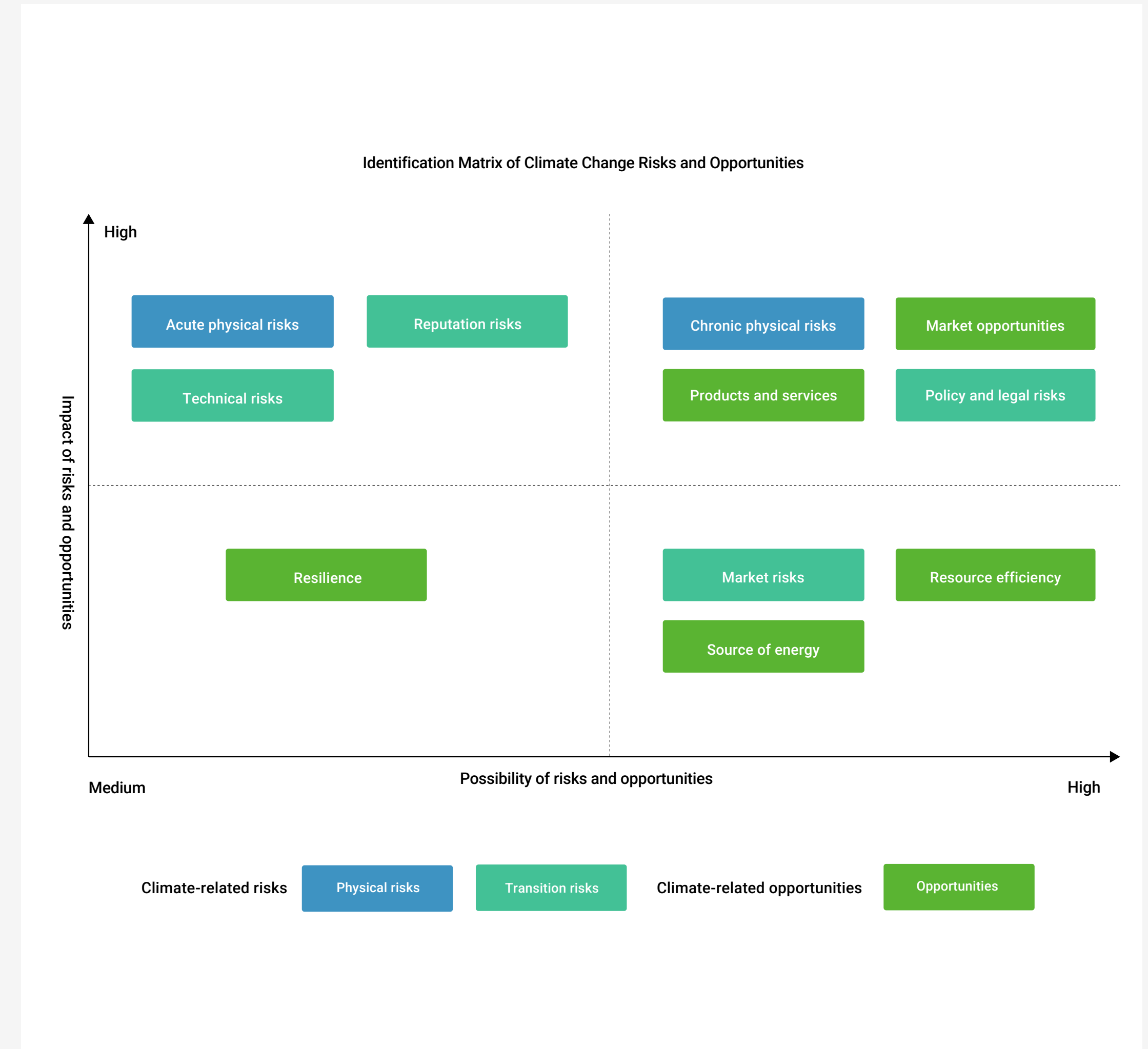
The aspects involving GHG emissions of Linglong Tire include production and office processes. The sources of GHG emissions include the electricity used in production and office operations, the steam used in production, and the natural gas used in boilers. The types of emissions include carbon dioxide, methane, nitrous oxide, and refrigerant leakage emissions.

Under the strategic guidance of China's goals of carbon peaking and carbon neutrality, comprehensively promoting the construction of a beautiful China, and facilitating the comprehensive green transformation of economic and social development, Linglong Tire has been continuously implementing the concepts of pollution reduction, carbon emission reduction, environmental protection, and energy conservation. The Company improves the climate change governance structure and sets the strategic goals of "peaking carbon dioxide emissions by 2030 and achieving carbon neutrality by 2050". The Company identifies climate risks and opportunities, and formulates a carbon neutrality path. Linglong Tire continuously promotes the realization of the Company's strategic goals from aspects such as energy utilization, R&D innovation of sustainable tires, and supplier management, contributing to China's progress in mitigating climate change and actively adapting to climate change strategies.

Climate Change Management System of Linglong Tire

 Governance	<ul style="list-style-type: none"> The Sustainable Development Committee of the Board of Directors is the highest responsible institution for decision-making and supervision of the Company's sustainability matters. The Sustainable Development Committee assumes the overall responsibility for the Company's climate-related management and regularly examines and approves decisions on climate risk and opportunity management strategies, impacts, risks and opportunities, and goals. The ESG Department is responsible for improving the construction of the sustainability system including climate change, formulating strategies, and inspecting and assessing the implementation of climate change work by the special committees. The Product, Safety, Environment and Climate Change Committee is responsible for managing climate-related risks and opportunities such as promoting product carbon inventory, developing eco-friendly, green and low-carbon products, increasing the proportion of renewable energy, and building green factories. The Company incorporates environmental management-related indicators such as "comprehensive energy consumption" into the performance appraisals of the management level.
 Strategy	<ul style="list-style-type: none"> The Company identifies, assesses, and analyzes climate-related impacts, risks, and opportunities. The Company formulates a "carbon peaking and carbon neutrality" plan and the <i>Climate and Environmental Policy</i>, and regularly conducts carbon inventories of each manufacturing base. The Company formulated a construction plan for new energy PV power generation base stations in 2025 to increase the proportion of PV power generation. The Company sets a carbon neutrality target for 2050 with 2023 as the base year, and formulates short-term, medium-term and long-term carbon reduction plans and a carbon reduction roadmap.
 Impacts, Risks, and Opportunities Management	<ul style="list-style-type: none"> Based on its own business and operation reality, and in combination with the opinions of experts, the Company assesses the climate-related impacts of its business model, business operations, and value chain on the economy, society and environment, the impacts of climate-related risks and opportunities on the Company itself, as well as the probability and extent of these impacts. The Company formulates targeted response strategies and continuously improves the response mechanism.
 Indicators and Targets	<ul style="list-style-type: none"> Long-term target: achieving carbon neutrality by 2050 Short-term target: 1.5% reduction in carbon emission intensity per unit of product in 2024 compared to 2023.

Identification of Climate-related Impacts, Risks, and Opportunities



Identification and Response to Climate Change Risks and Opportunities of Linglong Tire

Type of risks and opportunities	Description	Impact period	Potential financial impact	Countermeasures	
Risk	Acute physical risks	The increased frequency of extreme weather events, such as typhoons, heavy rainfall, floods, heavy snow, and hurricanes, may cause damage to the fixed assets of the Company's operating sites, loss of personnel, or business interruptions.	Short, medium, and long term	Depreciation of fixed assets Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company formulates on-site disposal plans for natural disasters related to extreme weather, equips with emergency facilities and equipment, and conducts regular emergency drills. The Company closely monitors national and regional climate-related information platforms to improve the timeliness of information acquisition.
	Chronic physical risks	The increase in average temperature would have an impact on the climate or ecosystem, which may lead to the interruption of the supply and demand of the Company's raw materials and price increases; the rise in sea level may directly affect the operation of the Company's coastal operating sites.	Medium and long term	Increase in operating costs Decrease in operating income	
	Policy and legal risks	With the introduction and revision of climate-related laws, regulations and regulatory policies in various countries, such as the relevant provisions of the EU Carbon Border Adjustment Mechanism (CBAM) and the <i>EU Deforestation Regulation (EUDR)</i> , the Company's own operations and value chain may reduce their market competitiveness due to failure to meet the requirements, or face compliance risks, resulting in damage to the Company's reputation.	Short, medium, and long term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company closely monitors the updates of climate-related laws, regulations and policies, and actively improves the carbon management mechanism in accordance with CBAM. The Company regularly discloses environmental data in accordance with regulatory requirements.
	Technical risks	With the increase in market demand for green and low-carbon products, the use of corresponding low-carbon technologies and raw materials has become the focus of research and development. In the process of strengthening the development of green and low-carbon technologies, the Company needs to invest more R&D funds and manpower. As market pioneers, leading companies in the industry may obtain core technologies first, and the Company's competitiveness may decline.	Medium and long term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company strengthens cooperation with peers and industry associations to jointly accelerate the R&D of green and low-carbon products. The Company promotes the development of sustainable raw materials. The Company regularly conducts employee training to improve employees' R&D capabilities.
	Market risks	The increase in customers' demand for low-carbon and eco-friendly products may increase the purchase cost of renewable materials and raise customers' requirements for the Company's product carbon inventory. The increase in customers who purchase new energy vehicles leads to an increase in the demand for tires of NEVs, and the development cost of tires for NEVs increases.	Medium and long term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company increases the proportion of sustainable materials applied in tires. The Company promotes the R&D and application of tires for NEVs. The Company regularly conducts product carbon inventory.
	Reputation risks	Stakeholders such as customers and consumers are paying increasing attention to the Company's performance in addressing climate change. If the Company does not actively carry out climate-related response and mitigation actions, it may not be able to meet the expectations of stakeholders, resulting in damage to its image and reputation.	Medium and long term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company strengthens communication with stakeholders. The Company regularly conducts the identification and assessment of climate-related impacts, risks and opportunities, and incorporates climate-related risks into the Company's risk management system.



Identification and Response to Climate Change Risks and Opportunities of Linglong Tire

Type of risks and opportunities	Description	Impact period	Potential financial impact	Countermeasures	
Source of energy	With the introduction of policies on renewable and clean energy, the accessibility of renewable energy gradually increases, and the price may gradually decrease. The Company's increased use of renewable energy can reduce costs of energy.	Medium and long term	Decrease in operating costs	<ul style="list-style-type: none"> The Company formulates a carbon neutrality plan, regularly conducts carbon inventory, and increases the proportion of clean energy use. The Company develops and supplies tires locally to reduce carbon emissions. 	
Resource efficiency	Through measures such as water resource reuse, raw material recycling, and the promotion of green intelligent manufacturing, resource efficiency can be improved, the Company's operating costs can be reduced. The production efficiency can also be improved, and GHG emissions can be curbed to a certain extent.	Short, medium, and long term	Decrease in operating costs	<ul style="list-style-type: none"> The Company strengthens the use of renewable/recyclable materials and the reuse of waste to promote the development of a circular economy. The Company formulates a digital transformation and R&D innovation plan, and actively promotes intelligent manufacturing, intelligent retail and product development. 	
Opportunity	Market opportunities	The Company strengthens the production of products and the provision of services that meet the climate-related management requirements of various countries, which can open up new markets and improve the Company's market competitiveness.	Medium and long term	Increase in operating income	<ul style="list-style-type: none"> The Company gains insights into market demand and develops diversified businesses.
Products and services	With the increase in demand for green and low-carbon products and services, the continuous development of low-carbon products can effectively improve the Company's industry competitiveness. While reducing its own production and operation carbon emissions, the Company can also develop potential low-carbon partners and raise industry barriers.	Medium and long term	Increase in operating costs Increase in operating income	<ul style="list-style-type: none"> The Company improves the safety and sustainable management of the supply chain, and jointly with suppliers actively responds to the requirements of EUDR. The Company jointly develops low-carbon and renewable materials with suppliers, optimizes transportation methods and warehousing layout, and jointly reduces carbon emissions. 	
Resilience	The Company regularly identifies climate-related risks and opportunities, and strengthens the ability to respond to and manage climate-related risks and opportunities. The Company continues to develop eco-friendly raw materials and technologies, ensures product diversification, and continuously improves the Company's resilience.	Medium and long term	Increase in operating income	<ul style="list-style-type: none"> The Company strengthens the management of climate-related impacts, risks and opportunities, and conducts R&D activities on raw materials and products. 	

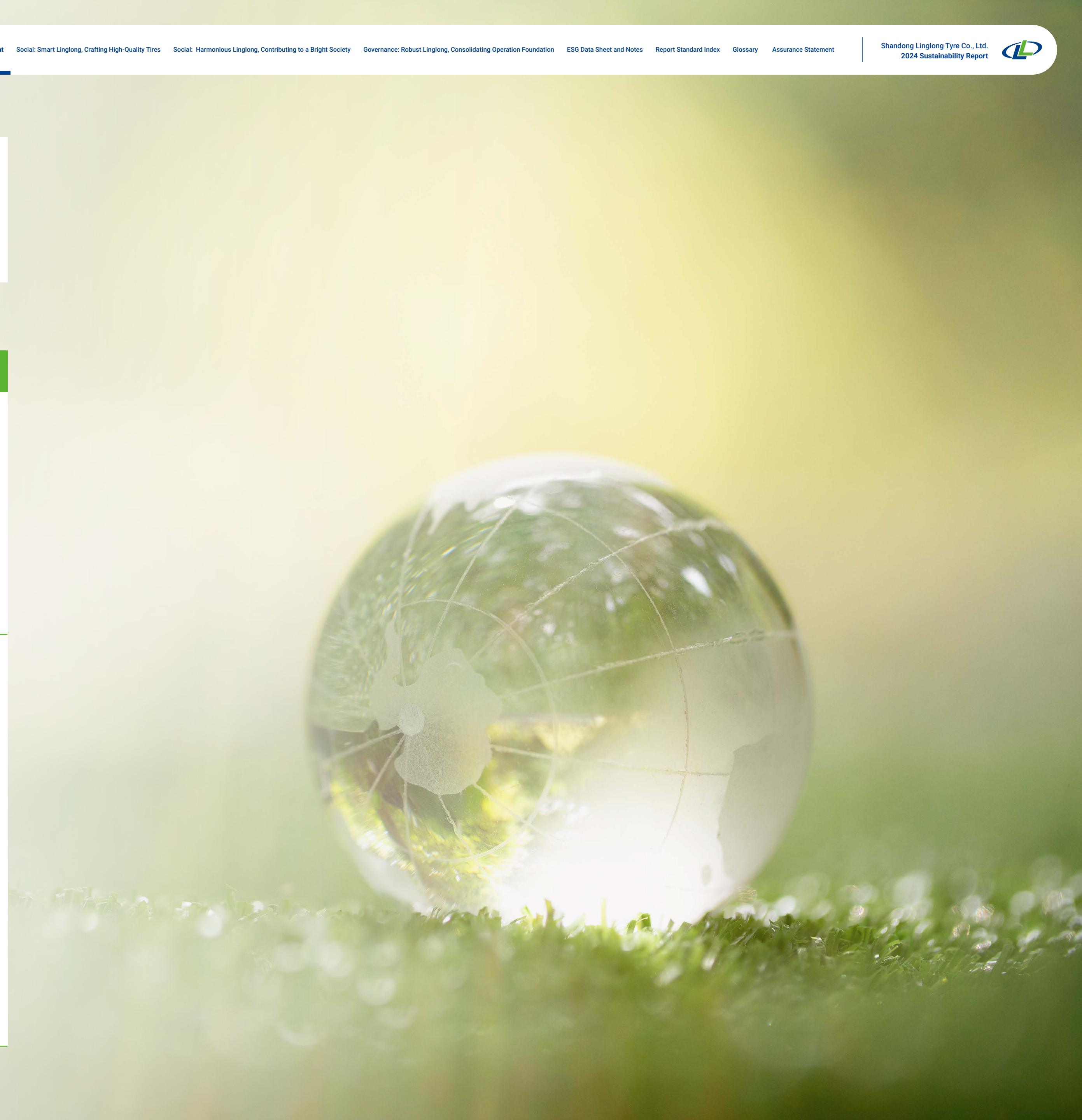


Indicators and Targets

The Company sets short-term GHG emission targets and a carbon neutrality target for 2050. Taking 2023 as the base year, the Company prepares an emission reduction path plan, sets the carbon neutrality boundary, and develops emission reduction management measures for carbon emissions in Scope 1, Scope 2, and Scope 3 respectively, to comprehensively promote the realization process of the objectives.

Climate Change Tackling Targets and Progress of Linglong Tire in 2024

Indicator	Target	Key progress	Measures
Carbon emission intensity per unit of product	1.5% decrease in 2024 compared to 2023	Completed. The carbon emission intensity per unit product in 2024 is 0.94tCO ₂ /t, a reduction of 1.95% compared with 2023	<ul style="list-style-type: none"> The Company promotes the construction and use of PV power generation, increases the proportion of renewable energy use, and continuously promotes energy consumption optimization projects.
Carbon emissions	Carbon neutrality by 2050	In progress	<ul style="list-style-type: none"> The Company sets the carbon neutrality boundary, identifies key carbon emission sources including natural gas combustion, coal combustion, purchased electricity, purchased steam, etc., and takes them as the key points for carbon emission reduction. For Scope 1 emissions, the Company formulates short, medium, and long-term emission reduction measures, including the plan to use 100% new energy official vehicles and production forklifts by 2030 and the subsequent use of biomass gasification boilers. For Scope 2 emissions, the Company promotes the construction and use of PV power generation and wind power generation, increasing the proportion of renewable energy use. The Company continuously promotes energy consumption optimization projects, and improves the energy-saving technology of large equipments. The Company optimizes the production organization man-hours, and develops advanced tire manufacturing processes. For Scope 3 emissions, the Company strengthens the management of raw material suppliers and logistics suppliers, and increases the proportion of renewable energy use by suppliers.




Environmental Management



Environmental Management

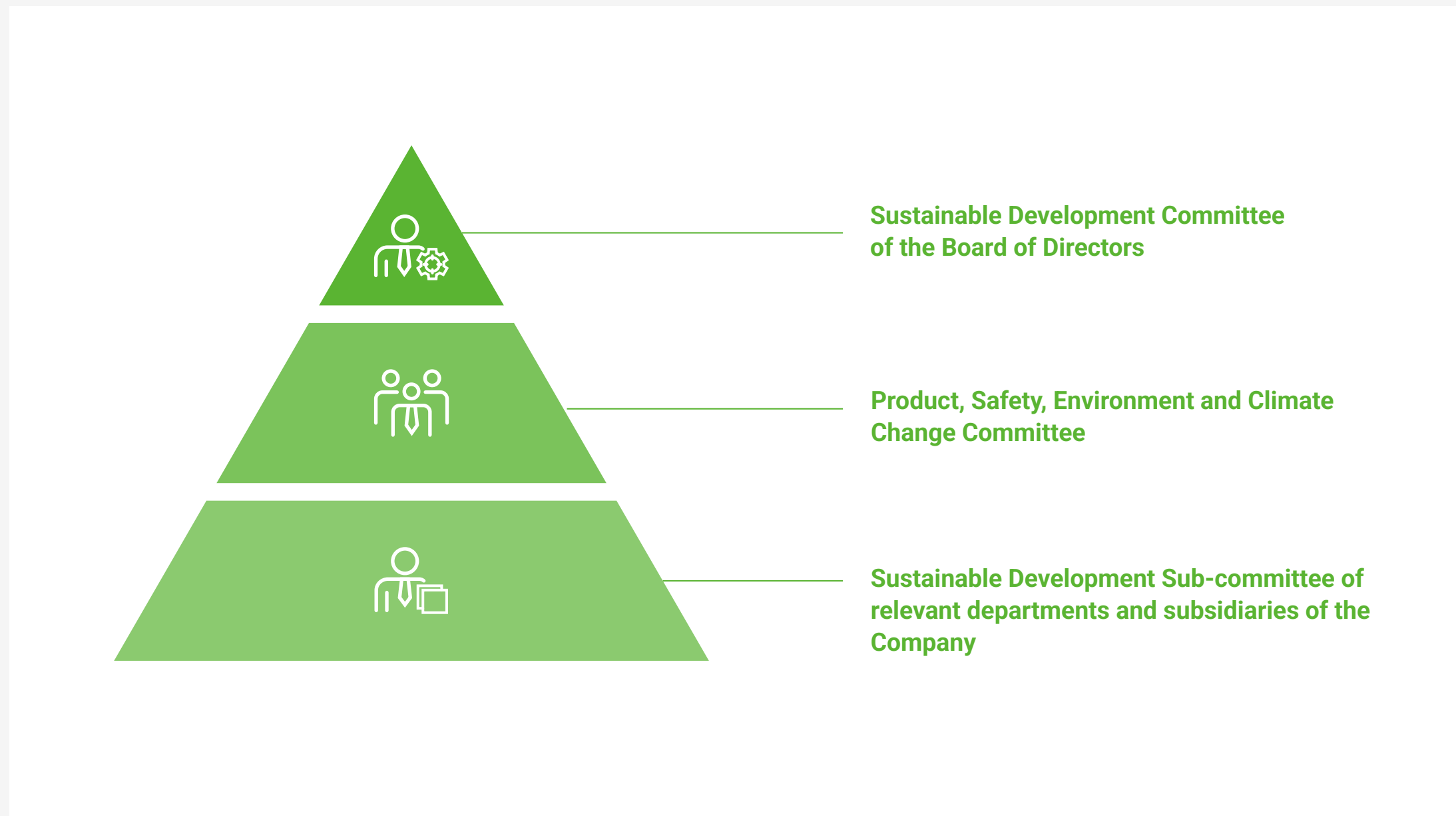
Linglong Tire adheres to the environmental management concept of "environmental protection and energy conservation, full participation, and continuous improvement", strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the management regulations of the operation location. The Company builds an environmental management system, improves the quality and efficiency of resource and energy management, as well as pollutant and waste management, and firmly adheres to the bottom line of environmental compliance.




Governance

The Company continuously improves the environmental management system by establishing an environmental management framework and developing systems such as the *Environmental Management System*, the *Environmental Protection Management Procedure*, and the *Environmental Factor Identification and Evaluation Management Procedure*. In 2024, the Company revised the *Environmental Management System* and added relevant requirements for environmental protection emergency management.

Environmental Management Organization of Linglong Tire





Strategy

The Company regularly conducts the identification and assessment of the impacts, risks, and opportunities related to environmental compliance management, and identifies and evaluates environmental factors. The Company develops targeted management strategies, and effectively controls the impacts of environmental factors.

Risks Response and Management Strategies Related to Environmental Compliance Management of Linglong Tire

Risk category	Description	Impact period	Financial impact	Management strategy
Policy and legal risks	The changes in national macroeconomic policies, the economic environment, and the relevant policies of various regions will indirectly affect the Company's production and operation.	Short and medium term	Increase in operating costs	<ul style="list-style-type: none"> The Company applies environmental management system standards, formulates environmental management objectives, and tracks the completion of these objectives.
Responsibility and reputation risks	In case of environmental protection equipment failures or damage, employee negligence, etc., which lead to the leakage of pollutants or substandard emissions, or the leakage of liquid waste, the Company may face administrative penalties, affecting the Company's image and reputation.	Short and medium term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> The Company improves the environmental compliance management system and conducts environmental compliance management work.



Impacts, Risks, and Opportunities Management

The Company continuously improves the construction of the environmental compliance responsibility system in accordance with laws and regulations, and applies environmental management system standards. The Company clarifies the main responsibilities of the enterprise, and assigns responsibilities and powers to individuals. The Company continuously conducts environmental compliance management work, and comprehensively promotes environmental compliance management. In 2024, the Company has not been penalized by the ecological and environmental administration for environmental incidents.



Indicators and Targets

Shandong Linglong Tyre Co., Ltd. and its subsidiaries, Dezhou Linglong Tyre Co., Ltd., Hubei Linglong Tyre Co., Ltd., and Jilin Linglong Tyre Co., Ltd., were listed as key pollution discharge units (key monitoring: waste gas and wastewater). These companies fulfilled their ecological environment-related obligations such as self-monitoring and information disclosure in accordance with the law. The relevant environmental management situations of the above key pollution discharge units in 2024 can be found in the *2024 Annual Report of Linglong Tire*.

Environmental Compliance Management Measures of Linglong Tire

Environmental compliance management mechanism	<ul style="list-style-type: none"> The Company has established an environmental management mechanism to implement environmental protection measures and improve environmental management performance. The Company defines management objectives every year and decomposes them layer by layer, and operates according to the monthly tracking and review system and the achievement of indicators and targets.
Environmental management audit	<ul style="list-style-type: none"> The Company's safety and environmental protection department organizes internal environmental audits every year, to evaluate the environmental management work of each department, and make improvements to existing problems. The Company regularly conducts external audits of the environmental management system every year, and hires third-party experts to evaluate the Company's environmental management work. The Company makes improvements to the problems, and promotes the continuous improvement of the Company's environmental management system.
Regular monitoring of environmental impact	<ul style="list-style-type: none"> The Company hires professional third-party institutions to conduct periodic environmental tests on the wastewater and exhaust gas emissions of each manufacturing base every year.
Cleaner production audit	<ul style="list-style-type: none"> The Company carries out and passes the third round of cleaner production audit. By adding partition protection in the mixing workshop, the Company effectively reduces the unorganized emission of exhaust gas, improves the collection efficiency of environmental protection facilities, and reduces exhaust gas emissions.
Emergency drills for sudden environmental incidents	<ul style="list-style-type: none"> The Company incorporates special environmental protection emergency drills into the annual emergency drill plan. In 2024, the Company developed the environmental emergency drill plan and carried out environmental emergency drill activities to enhance employees' capabilities in responding to and handling environmental emergencies.

Environmental Management Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Sudden major environmental incidents	0	Completed
Wastewater and exhaust gas emissions	100% compliance rate of emissions	Completed
Waste disposal	100% legal disposal rate	Completed
Plant boundary noise	Daytime ≤ 65dB, nighttime ≤ 55dB	Completed



[Case] Organized environmental protection training

In 2024, the Company organized the Linglong Environmental Protection Knowledge Training. Through this training, the Company strengthened the environmental protection legal awareness of all employees. The Company carried out special environmental protection inspections, and enhanced the supervision of the daily maintenance of environmental protection facilities. The Company improved the weak points of daily environmental management, and enhanced the quality and efficiency of environmental management.



Scene of Environmental Protection Training



- By the end of 2024, each manufacturing base of Linglong Tire has obtained the ISO 14001 environmental management system certification, and all certificates were within the valid period.
- In 2024, the Company got GREEN in the Environmental Credit Rating of Enterprises in Shandong Province.



Energy Management



Energy Management

Various energy types and their corresponding application domains of Linglong Tire are electricity and steam for manufacturing facilities, coal and natural gas for boilers, and electricity for offices.

The Company strictly complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Renewable Energy Law of the People's Republic of China*, as well as the management regulations of the operation location. Guided by the management concept of "complying with laws, regulations and other requirements, actively promoting cleaner production and low-carbon manufacturing, reducing energy consumption from the source, and promoting the circular development of the economy", the Company promotes the construction of the energy management system and improves the quality and efficiency of energy conservation and consumption reduction.

Governance

The Company continuously improves the energy management system and enhances energy utilization efficiency by establishing an energy management framework and developing systems such as the *Energy Management System Manual*, the *Energy Management System*, and the *Energy Conservation Management System*. The Company links the energy management indicator "comprehensive energy consumption" with the salary performance of the Company's Vice President.

Energy Management Framework of Linglong Tire

Board of Directors

The Chairman of the Board is the highest leader of the energy management system, responsible for leading the guiding work of the Company's energy management system.

Leading Group for Energy Conservation and Consumption Reduction

The President serves as the group leader, and the main responsible persons of each department are members. They are responsible for formulating energy conservation management systems, plans and objectives according to the Company's strategic goals, and supervising the implementation of relevant departments.

Relevant departments and subsidiaries of the Company


They are responsible for implementing energy conservation plans and helping to achieve energy conservation goals.

Strategy

The Company regularly conducts the identification, assessment and management of energy-related impacts, risks and opportunities. The Company adjusts management strategies in a timely manner, takes targeted management measures, and strengthens the effectiveness of energy efficiency improvement.

Risks, Opportunities and Management Strategies Related to Energy Management of Linglong Tire

Risk/opportunity category	Description	Impact period	Financial impact	Management strategy	
Risks	Investment risks	The development and use of energy conservation technologies require a certain amount of capital and human resources investment, and there may be no corresponding investment returns in the short and medium terms.	Short and medium term	Increase in operating costs	<ul style="list-style-type: none"> The Company establishes, implements and continuously improves its energy management system in accordance with the PDCA (Plan, Do, Check, and Act) cycle model. The Company increases the proportion of renewable energy, and strengthens the development of low-carbon products. The Company has formulated two plans to improve energy utilization efficiency, namely energy conservation technology transformation, and optimization control of the production process, to achieve the goal of reducing energy costs and increasing efficiency.
	Technical risks	The implementation of new energy conservation technologies may face the problems of immature technologies or unsuitability for the existing production processes, thus affecting the normal production of the Company.	Short and medium term	Increase in operating costs Decrease in operating income	
	Market risks	Fluctuations in energy prices may lead to an increase in costs, thus affecting the overall economic benefits of the Company.	Short term	Increase in operating costs	
Opportunities	Subsidy incentive	The government may increase subsidies or tax incentives for energy conservation and emission reduction projects, promoting the progress of the Company's energy conservation projects.	Medium and long term	Decrease in operating costs	
	Adoption of energy conservation technologies	The adoption of emerging energy conservation technologies (such as smart grids, the Internet of Things) can significantly improve the efficiency of energy management.	Short and medium term	Increase in operating costs	
	Market opportunities	With the growing demand for renewable energy and energy conservation products, strengthening the development of green products can open up new business areas and markets.	Short, medium, and long term	Increase in operating costs Increase in operating income	
	Enhancement of brand image	Improving energy efficiency can enhance the corporate brand image and attract more customers and investors.	Medium and long term	Increase in operating income	




Impacts, Risks, and Opportunities Management

The Company prepared the *Regulations on the Control and Management of Risk and Opportunity Response*, aiming to provide guidance for the Company to regularly identify energy management-related risks and opportunities. By taking measures such as energy conservation technology transformation, and production optimization control, building an intelligent big data platform, participating in standard formulation, and obtaining low-carbon product certifications, the Company improves energy utilization efficiency and promotes the progress of energy conservation and consumption reduction.


Energy Management Measures of Linglong Tire in 2024

Energy conservation technology transformation and optimization control	<ul style="list-style-type: none"> The Company carried out a waste heat recovery project. The project includes the recycling of secondary steam^①, which is mixed with primary steam. After increasing the pressure, medium-pressure steam is formed and supplied for air conditioners in winter and calendaring ovens. In this way, it replaces the original primary steam, saving the cost of primary steam. In 2024, 15,279 tons of primary steam for production were saved, saving a cost of RMB 2.569 million. The Company purchased high-efficiency equipment to replace the on-site high-energy-consuming equipment. The Company optimized and refined the control of the indicators of the power station, tracking various unit consumption data, including the unit consumption of air compressors, nitrogen, and cooling water.
Construction of intelligent big data platform	<ul style="list-style-type: none"> Hubei Linglong built an intelligent energy management platform, which collects data from electricity meters, flow meters, and water meters online and connects them in parallel. Through intelligent analysis, it achieves indicator early warning, monitoring and horizontal comparison. It can also automatically identify abnormal points, realize the implementation management of energy, and optimize the quality of energy management
Standard formulation and product certification	<ul style="list-style-type: none"> A number of series products of the Company have obtained low-carbon product certifications. Among them, Linglong's ultra-low rolling resistance green tire POWER SAVER won awards such as "China Annual Energy Conservation and Environmental Protection Tire". <ul style="list-style-type: none"> The rolling resistance of the all-steel ultra-low rolling resistance tire E-PLUS 01 is reduced by more than 35% compared with that of ordinary products. The fuel consumption per 100 kilometers of the whole vehicle is reduced by more than 2.2 liters, and the rolling resistance reaches Class A of the EU label. The semi-steel SPORT MASTER E tire has passed the strict tests of the IDIADA laboratory in Spain. Its rolling resistance reaches 6.0 or below, the wet skid reaches 1.74, the noise is 70 dB, and the tire can reach the 3A grade. The Company participated in the formulation of the group standard <i>Specification for the Evaluation of Low-Carbon Products of Automobile Tires</i>.




[Case] Upgraded single machine and single cover for vulcanizers

In 2024, compared with the conventional large enclosure for exhaust gas collection, the single machine and single cover for exhaust gas collection used by the Company's vulcanizers not only improved the exhaust gas collection efficiency but also reduced power consumption and operating costs. Taking the all-steel vulcanizers of Hubei Linglong as an example, after the transformation, about 30% of energy was saved. Calculated based on an annual operation of 8,000 hours, about 240,000 kWh of electricity would be saved annually. In 2024, the Company completed the transformation of 143 single machines and single covers for Hubei Linglong and 13 sets for Dezhou Linglong.



Vulcanizer

Note^① Primary steam usually refers to steam produced from a boiler, heated and transported to a specific equipment or system for use. Secondary steam refers to the steam generated after primary steam has been utilized and subsequently undergoes a heat exchange process. In specific industrial production and heating systems, the reuse of secondary steam can bolster the efficiency of energy utilization and reduce the total energy consumption of the system, thereby saving energy.



Indicators and Targets

In 2024, the Company formulated energy consumption management objectives, continuously promoting the construction of PV power generation at each manufacturing base, and the realization of the 2025 PV power generation plan and the carbon neutrality target by 2050.

Energy Management Targets and Progress of Linglong Tire in 2024^①

Targets	Progress
<p>The energy consumption per unit product (PCR radial tire, TBR radial tire, off-the-road tire) reaches the advanced energy consumption value specified in the national standard (GB 29449-2012) (Advanced energy consumption value: semi-steel tires ≤ 380 kgce/t; all-steel tires ≤ 285 kgce/t; off-the-road tires ≤ 415 kgce/t)</p>	<p>The energy consumption per unit product of PCR radial tire is 232.4 kgce/t, that of TBR radial tire is 168.0 kgce/t, and that of off-the-road tire is 349.27 kgce/t, reaching the advanced energy consumption value.</p>

Note^① The completion status of the energy management objectives for 2024 refers to the Zhaoyuan Base.

PV Power Generation Situation of Linglong Tire Manufacturing Bases

Category	2022	2023	2024
PV power generation (kWh) ^①	30,745,782	62,552,500	91,687,700
Total electricity consumption (kWh) ^②	879,699,606	1,089,061,765	997,427,332
Proportion of PV power generation (%)	3.50%	5.74%	9.19%


Note^① The scope of PV power generation in 2023 and 2024 includes Zhaoyuan Base, Dezhou Base, Guangxi Base, Hubei Base and Jilin Base. The scope of PV power generation in 2022 includes Zhaoyuan Base, Dezhou Base, and Guangxi Base.

Note^② The scope of total electricity consumption in 2024 includes Zhaoyuan Base, Dezhou Base, Guangxi Base, Hubei Base, Thai base, Jilin Base and Euro Base. The scope of total electricity consumption in 2023 includes Zhaoyuan Base, Dezhou Base, Guangxi Base, Hubei Base, Thai base and Jilin Base. The scope of total electricity consumption in 2022 includes Zhaoyuan Base, Dezhou Base, Guangxi Base, Hubei Base, and Thai base.




[Honor] In 2024, the Company was selected as one of the "Benchmark Enterprises of Energy Efficiency Leaders (Tires) in 2023" by the China Petroleum and Chemical Industry Federation.





[Honor] In 2024, the Company was selected as one of the "Energy Efficiency 'Leaders' of Key Products in the Rubber Industry in 2023" by the China Rubber Industry Association.



Circular Economy

	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		

Circular Economy

The circular economy content involved in Linglong Tire mainly includes the recycled water use in the production process, the utilization of renewable raw materials, and the recycling of waste. The Company strictly complies with laws, regulations, and relevant provisions such as the *Circular Economy Promotion Law of the People's Republic of China*. Through R&D innovation and activities of reducing, reusing and recycling raw materials, the Company promotes the high-quality development of the circular economy.

Governance

The Company promotes the development of green raw materials and products, strengthens raw material management, and develops the circular economy at multiple levels by establishing an organizational structure for circular economy management and developing relevant systems such as the *Regulations on Sustainability Management* and the *Requirements for Raw Material Quality Control*.

Circular Economy Management Structure of Linglong Tire

Sustainable Development Committee of the Board of Directors

The committee is responsible for the supervision and guidance of the management related to the circular economy.

Product, Safety, Environment and Climate Change Committee

The committee is responsible for formulating strategies related to the circular economy and managing the work related to the circular economy.

Relevant departments of the Company

- The R&D Headquarters is responsible for the development of reduced and recycled raw materials, as well as products made from recycled materials.
- The Procurement Department is responsible for the procurement of recycled raw materials.
- The Safety and Environment Department is responsible for the management of recyclable waste.

Strategy

To comply with the development trend of the circular economy, better adapt to changes and risks, and seize the development opportunities of cleantech, the Company conducts the identification and assessment of the impacts, risks and opportunities related to the circular economy, and flexibly adjusts the development strategic plan, to maintain the Company's competitiveness.

Risks, Opportunities and Strategies Related to the Circular Economy of Linglong Tire

Risk/opportunity category	Description	Impact period	Financial impact	Management strategy	
Risk	High difficulty in recycling and reprocessing	Currently, the processes of recycling and reusing fiber cords and steel wires are difficult. Only leading enterprises in the industry are developing them, which requires a large investment in R&D expenses, and the overall mass production application has not been formed yet.	Short and medium term	Increase in operating costs	<ul style="list-style-type: none"> The Company formulates strategic plans and objectives for the application of framework materials and sustainable materials, continuously promotes the use of renewable, recyclable and reduced raw materials, and strengthens the recycling of waste. The Company formulates product specifications in line with EUDR to ensure that the Company's products meet the requirements of EUDR and identify potential business opportunities.
	Policy and legal risks	The EUDR's certification requirements in the fields of sustainability and traceability make the sources of natural rubber raw materials traceable, leading to an increase in procurement costs. If the requirements are not met, the Company's market competitiveness in the EU will be affected.	Short and medium term	Increase in operating costs Decrease in operating income	
Opportunity	Increased utilization rate of raw materials	The Company processes waste tires into liquid reclaimed rubber, which is used as a production raw material in production. While reducing the amount of waste treatment, the Company also reduces the procurement cost of raw materials.	Short and medium term	Decrease in operating costs Increase in operating income	



Impacts, Risks, and Opportunities Management

Linglong Tire continuously improves its comprehensive resource utilization ability, and promotes the development of tires made of sustainable materials, the processing and reuse of waste tires. The Company continuously studies tire retreading, strengthens external research cooperation, and implements green office practices. The Company comprehensively improves resource utilization efficiency, enhances the utilization level of renewable resources, and promotes the development of a green, low-carbon circular economic system. For the Company's recycled water use situation, please refer to the "Water Resource Management" section.

Circular Economy Management Measures of Linglong Tire

Development of tires made of sustainable materials	<ul style="list-style-type: none"> The Company uses new materials, such as rapeseed oil, liquid reclaimed rubber, reclaimed rubber, pyrolysis carbon black, rice husk ash silica, bio-based carbon black, recycled polyester cords, and recycled steel wires, as raw materials for tires. In 2024, the Company launched an eco-friendly tire with a sustainable material content of 79%. The product reaches the highest A grade in the industry in terms of noise performance and rolling resistance performance.
Promotion of waste reuse	<ul style="list-style-type: none"> In February 2024, the liquid reclaimed rubber produced by Linglong Tire's waste tire treatment project was officially put into mass production, which can achieve the annual treatment of 10,000 tons of waste tires and the production capacity of 6,000 tons of liquid reclaimed rubber. By the end of 2024, the Company produced a total of 4,322.57 tons of liquid reclaimed rubber.
Research on tire retreading	<ul style="list-style-type: none"> The Company conducts research on tire product retreading, enabling the recycling and multiple retreading of waste tires, maximizing the value of products, and effectively reducing the tire usage cost. In April 2024, the Company led the revision of two national standards for retreaded tires, namely the <i>Retreaded Tires for Heavy-Duty Vehicles</i> and the <i>Retreaded Tires for Passenger Cars</i>, incorporating new technologies and processes into the standards, and promoting the popularization and application of advanced and applicable technologies.
Strengthening external cooperation	<ul style="list-style-type: none"> The Company jointly established a research project with Beijing University of Chemical Technology and the team of Academician Zhang Liqun, and developed a tire tread compound with biodegradable properties using bio-derived rubber elastomers. On the premise of not reducing the tire performance, the carbon dioxide emissions in the production process of this compound are greatly reduced, and it can be biodegraded after being discarded. The Company jointly established the "Dandelion Rubber Industry Innovation Strategic Alliance" with Beijing University of Chemical Technology, and jointly promoted the research and development of dandelion rubber with top domestic scientific research teams, achieving successful cultivation in multiple regions in China. Upon active cooperation with South China University of Technology, the Company conducts active research on bio-based additives and other aspects, and has obtained several achievements.
Implementation of green office	<ul style="list-style-type: none"> The Company continuously promotes paperless office and electronic office to reduce paper consumption. The Company encourages employees to use reusable office supplies and choose double-sided copying and printing.



[Case] Use of Bio-based Raw Materials

The raw material of the bio-based PA56 cord fabric used in tire manufacturing is corn cobs and straws. The fabric is produced by using biological fermentation technology and renewable raw materials, and the bio-based percentage can reach 45%. The bio-based materials used as raw materials also include rapeseed oil, castor oil, sunflower seed oil, stearic acid, and rice husk ash silica.



[Case] Strengthened the production and application of liquid reclaimed rubber

In 2024, the liquid reclaimed rubber project officially put into production by the Company is a leading new technology for waste tire treatment in China at present. There is no wastewater discharge during the production process of this technology. The overall heating temperature is low, the energy consumption is low, and less exhaust gas is generated during the production process. Liquid reclaimed rubber can be used to replace some materials such as fillers, oils, and resins in the tire formulation system, thus realizing the reuse of waste tires and the saving of raw materials.



Indicators and Targets

In 2024, the Company continuously promoted the development and application of raw materials such as framework materials and sustainable materials. The Company formulated short, medium, and long-term objectives, and contributed its own strength to the national circular economy development strategy.

Circular Economy Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Framework materials for tire manufacturing	<ul style="list-style-type: none"> By 2025, the Company will complete the application evaluation and verification of the representative specifications of sustainable (bio-based and recycled) framework materials in all parts of the tire. The total weight of framework materials in each part accounts for about 15% of the total weight of the tire, and a small batch will be put into the market. By 2030, the Company will complete the verification of other current sustainable framework material specifications in tires and gradually put them into mass production. By 2035, the Company will comprehensively promote the application of sustainable framework materials in tire manufacturing and no longer use completely petrochemical materials as tire framework materials. 	By the end of 2024, the indoor performance tests and road tests of the bio-based nylon, recycled polyester, and recycled steel wire, which are the framework materials for various parts related to tires, have all been passed. The total weight of the framework materials for each part accounts for approximately 15% of the total weight of the tire.
Application of tires made of sustainable materials	<ul style="list-style-type: none"> By the end of 2028, the Company will achieve the application of 85% sustainable materials in tires. By the end of 2030, the Company will achieve the application of 90% sustainable materials in tires. By the end of 2040, the Company will achieve the application of 100% sustainable materials in tires. 	By the end of 2024, the Company achieved the application of 79% sustainable materials in tires.



[Awards]

In November 2024, the Company's tire with 79% sustainable materials won the "Prospective · Lightweight and New Materials Category · Gold Award" of the 9th Lingxuan Award. Linglong Tire is the only enterprise in the tire industry to win the Lingxuan Award for five consecutive years.



In 2024, the EU label of the Company's Future concept tire with a 79% sustainable material proportion reached the "AAA" grade.



The 79% sustainable tire was shown at the Cologne Exhibition in Germany.

Note 1 The product has achieved the highest EU Grade A in terms of wet grip performance, noise performance, and rolling resistance performance.



Water Resource Management



Water Resource Management

The water resource used in Linglong is municipal water supply for production and office. LLIT filters, stores, and utilizes rainwater through a rainwater collection system to reduce the dependence on traditional water sources.

Linglong Tire strictly complies with laws and regulations such as the *Water Law of the People's Republic of China* and the management regulations of the operation location. The Company formulated systems such as the *Water Resource Conservation Management System* and the *Circulating Cooling Water Quality Management System*. The Company established a water resource management framework, and set up a leading group for energy conservation and consumption reduction. The President serves as the group leader, and the main responsible persons of each department are members. The leading group is fully responsible for various tasks of the Company's energy conservation and consumption reduction, including water conservation management. The Company's Administrative Department, Safety and Environmental Protection Department, and Equipment and Energy Management Department manage the water conservation work of each department.

The Company formulates water resource utilization strategies, and continuously carries out water conservation work. By strengthening the recycling and reuse of water resources, optimizing equipment and devices, and carrying out water-saving publicity and implementation activities, the Company continuously promotes the long-term management of water resources.

Water Resource Management Measures of Linglong Tire

Water resource utilization strategy	<ul style="list-style-type: none"> Centering on scientific and reasonable water use and improving the utilization rate of water resources, the Company enhances the water conservation awareness of all employees, and creates a water-saving unit. The Company improves the efficiency of water resource use, and establishes a long-term management mechanism for water conservation, to realize the sustainable utilization of water resources.
Recycling and reuse	<ul style="list-style-type: none"> From June to September, the low-temperature cooling water for Area A and the mixing process are provided at the power workshop of Zhaoyuan Base. It is supplied through a chiller to form a closed-loop circuit for cyclic supply. In the remaining months, normal-temperature cooling water is supplied by an open cooling tower for cyclic use. The Thai base has installed water storage tanks to collect rainwater. After the rainwater is double-filtered, it is pumped to the power workshop, and then softened by the power workshop and supplied to each process for use. In 2024, the rainwater collection volume of the Thai base was approximately 237,100 m³, accounting for 60.49% of the total water consumption of the Thai base. The Company reuses the wastewater that has been treated and meets the standards in the wastewater treatment station, the recycled rainwater, and the boiler condensate water, for the greening of the manufacturing base plant area, road spraying, toilet flushing, fire protection, cooling tower, and power station. In 2024, the Company's recycled water volume was approximately 398,400 m³, accounting for 16.27% of the total water consumption of the Company.
Optimization of equipment and devices	<ul style="list-style-type: none"> Zhaoyuan base replaced the tap water pipeline in the water pump room with PPR (Polypropylene-Random) pipes, eliminating the potential safety hazard of iron pipe corrosion and correspondingly reducing water resource leakage, saving about 5 cubic meters^① of water per day. Zhaoyuan base installed solenoid valves to control the shut-off valves of the cold air pipeline. While saving water, it avoids the occurrence of condensed water caused by temperature, saving about 5 cubic meters^① of water per day.
Water conservation publicity and implementation activities	<ul style="list-style-type: none"> In 2024, the Company organized water conservation publicity activities with the theme of "Saving Water", covering more than 17,000 people.

Note ① The water-saving data are estimated values.





Emission and Waste Management



Emission and Waste Management

Linglong Tire strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Law of the People's Republic of China on the Noise Pollution Prevention and Control*, as well as the management regulations of the operation location. By developing systems such as the *Wastewater Control Management Procedure*, the *Exhaust Gas Control Management Procedure*, the *Solid Waste Control Management Procedure*, and the *Pollutant Reduction Plan*, the Company sets the reduction benchmark value. Linglong Tire plans to reduce the waste generation per ton of products by 5% compared with 2024 by 2030, and decomposes the indicators on a monthly and quarterly basis. The Company conducts regular supervision and evaluation of the reduction process.

To further understand the impact of the Company's production and operation on the residents of the surrounding communities, Linglong Tire regularly visits the residents around the manufacturing base, which helps the Company take corresponding measures to reduce the impact on the local community. LLIT pays regular visits to the surrounding factories and residents, and understands the odor diffusion situation, to further improve the Company's requirements for the up-to-standard treatment of exhaust gas and enhances the effect of exhaust gas collection and treatment.

Wastewater Management

The Company continuously ensures the effective treatment of sewage and complies with the regulations for discharge after meeting the standards. Each manufacturing base has a sewage treatment station, equipped with a complete sewage treatment system. Special technicians and operators are responsible for the daily chemical addition and equipment maintenance. Some manufacturing bases have online monitoring devices, and a third-party testing agency is entrusted to conduct regular sampling tests.

Wastewater Categories and Treatment Methods of Linglong Tire

Wastewater type	Pollutant category	Treatment method
<ul style="list-style-type: none"> Circulating cooling blowdown water Wash water generated by the exhaust gas treatment system Ground cleaning wastewater 	<ul style="list-style-type: none"> Chemical oxygen demand Ammonia nitrogen 	After being centrally treated and meeting the standards in the plant wastewater treatment station, the Company reuses it for the greening of the plant area, road spraying, and toilet flushing.
<ul style="list-style-type: none"> Wastewater for pure water preparation Domestic sewage after pretreatment 		The Company discharges it into the municipal sewage network.

Wastewater Reduction Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Wastewater discharge per unit product	Decreased by 3% compared with 2023	Completed. In 2024, the wastewater discharge per unit product decreased by 11.76% compared with 2023.

Exhaust Gas Management

The exhaust gas generated during the production and operation process of Linglong Tire mainly includes the exhaust gas from tire preparation, as well as the boiler exhaust gas of the Dezhou base and the Guangxi base. The types of pollutants include particulate matter, sulfides, malodorous factors, volatile organic compounds, etc.

The Company applies advanced environmental protection facilities and processes to improve the treatment effect. Hubei Linglong and Jilin Linglong use advanced industry processes such as activated carbon adsorption + catalytic combustion and zeolite rotor + RTO (Regenerative Thermal Oxidizer). Dezhou Linglong uses the activated carbon adsorption + catalytic combustion process. Both the treatment effect and the efficiency are significantly improved.

In 2024, the Company began to transform the exhaust gas treatment facilities, introducing cutting-edge eco-friendly treatment process facilities such as RTO equipment and activated carbon adsorption equipment. After the transformation is completed, the exhaust gas treatment efficiency is increased from 60% to 95%.



[Case] Exhaust Gas Collection and Treatment Facilities

During the construction of the mixing workshops of Jilin Linglong and LLIE, measures such as adding isolation rooms and gas collection hoods were taken for equipment sealing to enhance the effect of exhaust gas collection and treatment.



Exhaust Gas Collection Device

Exhaust Gas Reduction Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
VOCs emission per unit product	Decreased by 3% compared with 2023	Completed. In 2024, the VOCs emission per unit product decreased by 12.5% compared with 2023.
Particulate matter emission per unit product	Decreased by 3% compared with 2023	Completed. In 2024, the particulate matter emission per unit product decreased by 4% compared with 2023.

Waste Management

Linglong Tire formulates relevant control procedures for waste, stores and disposes of waste according to regulatory requirements, and reduces the environmental impact of waste. The Company formulates the *Hazardous Waste Management Plan* and the *Hazardous Waste Reduction Plan* every year, and achieves the reduction target through measures such as process substitution and management improvement.

Waste Categories and Management Measures of Linglong Tire

Category	Types of waste	Management measures
Hazardous waste	Hazardous waste such as waste engine oil, laboratory waste liquid, and chemical packaging materials	The Company classifies and temporarily stores them in the hazardous waste warehouse within each manufacturing base, and regularly hands them over to qualified units for external transportation and disposal.
Non-hazardous waste	General industrial solid waste such as waste steel cord, fiber cord fabric, waste steel wire, and waste rubber edges	The Company classifies and temporarily stores them in the general solid waste warehouse, and then hands them all over to qualified third-party units for recycling and disposal.
	Domestic waste	The Company has it centrally collected by the local environmental sanitation authority and then sent it to the local waste treatment plant for centralized treatment and disposal.

Indicator	Target	Progress
Total amount of hazardous waste per unit product	Decreased by 2% compared with 2023	Completed ^①
Total amount of general industrial solid waste per unit product	Decreased by 3% compared with 2023	Completed ^②

Note^① Comparing with the existing hazardous waste types in 2023, the Thai government has listed carbon black and carbon black packaging bags as hazardous waste in 2024, and this part is not counted in the statistics of the reduction plan.

Note^② The total amount of general industrial solid waste per unit of product in 2024 is 14.95% less than that in 2023.

Noise Management

The noise pollutants generated by Linglong Tire mainly come from the compressors of the power station and the hydraulic power station. The Company encloses equipment and facilities with noise hazard factors or undertakes noise reduction treatments to reduce the impact of noise decibels on the environment.



Ecosystem and Biodiversity Conservation



Ecosystem and Biodiversity Conservation

Natural rubber is an important raw material for tire manufacturing. There is a mutual influence between its cultivation, extraction, and the ecosystem and biodiversity. Against the backdrop of the release of the *China National Biodiversity Conservation Strategy and Action Plan (2023-2030)* by the Ministry of Ecology and Environment of China and the upcoming implementation of the EUDR, Linglong Tire continuously promotes ecosystem and biodiversity conservation. The Company strictly complies with laws and regulations such as the *Forest Law of the People's Republic of China* and the *Regulations on Nature Reserves*, as well as the management regulations of the operation location. Linglong Tire also follows international conventions like the *Convention on Biological Diversity* and national strategies, and implements the business concept of "lucid waters and lush mountains, green development".

The Company continuously strengthens biodiversity conservation from aspects such as project construction, daily production and operation, and external cooperation, contributing its own strength to global biodiversity governance and the achievement of the goals of the Kunming-Montreal Global Biodiversity Framework.

The production and operation sites of the Company in various countries and regions carry out work such as site selection for factories and ecological status surveys in accordance with regulatory requirements. The regions where the manufacturing bases are located all conform to the overall national and regional plans, not within the scope of ecological protection red lines. There are no natural reserves, key ecological function areas, or other areas with important ecological functions or ecologically sensitive and fragile areas in the surrounding areas. Therefore, the production and operation have little impact on the ecosystem and biodiversity.

Biodiversity Conservation Measures of Linglong Tire

Membership of industry organizations	<ul style="list-style-type: none"> As the first tire company in the Chinese mainland to join the Global Platform for Sustainable Natural Rubber (GPSNR), Linglong Tire publicly released and continuously implements the <i>Sustainable Natural Rubber Policy</i>. The Company promises to purchase natural rubber produced in a way that does not cause deforestation or reduce high conservation value (HCV). Linglong Tire actively enables cooperation with stakeholders, and collaborates with suppliers to promote the construction of a sustainable natural rubber supply chain. In September 2024, the Company submitted its annual report to GPSNR and passed the review.
Meeting EU requirements	<ul style="list-style-type: none"> To meet the requirements of the EUDR, Linglong Tire establishes a supplier due-diligence system. The Company conducts on-site visits, risk assessments, and risk mitigation for suppliers and rubber plantations.
Strengthening soil and water conservation	<ul style="list-style-type: none"> For new construction projects, Linglong Tire strictly follows national laws and regulations and relevant regulations on the ecological protection red line of the operation location. The Company conducts investigations on the ecological status of the project construction site and analyzes the possible ecological impacts of the project. Linglong Tire strengthens the whole-process management of soil and water conservation to reduce surface disturbance and vegetation damage.
Conducting regular monitoring	<ul style="list-style-type: none"> LLIE conducts quarterly follow-up investigations on the biodiversity around the base and issues relevant reports. As of the end of 2024, no abnormal situations or adverse impacts have been monitored.
Organizing tree-planting activities	<ul style="list-style-type: none"> The Company includes afforestation activities in its corporate sustainability plan and encourages each manufacturing base to actively participate in tree-planting activities. In 2024, Guangxi Linglong carried out a tree-planting activity with the theme of "Fulfilling the obligation to plant trees and jointly building a beautiful Linglong". A total of 252 people participated in the activity, and 157 <i>Washingtonia filifera</i> were transplanted. As of the end of 2024, the actual total greening area of the Company was 1.925 million m².
Planning funded projects	<ul style="list-style-type: none"> The Company plans to launch a sustainable funded project in Xishuangbanna, Yunnan in 2025. The Company will jointly carry out projects with external parties, such as ecosystem restoration and the promotion of sustainable natural rubber cultivation and management, aiming to promote the restoration and balance of the local ecosystem and implement effective biodiversity conservation.



Tree-planting Activity



Social

Smart Linglong, Crafting High-Quality Tires

Innovation-driven


Safety and Quality of Products and Services

Data Security and Customer Privacy Protection

Supply Chain Management




Innovation-driven

<p>SUSTAINABLE DEVELOPMENT GOALS</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
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Innovation-driven


Digital transformation

Driven by the global wave of digitalization in the manufacturing industry, the tire industry is undergoing a profound transformation centered around intelligence. Based on accelerating the industrialization process, the Company empowers its business through intelligent manufacturing and intelligent retail, achieving inter-connection among the supply chain, manufacturing chain, and marketing chain to provide customers with higher-quality products and better services.



Governance

The Company continuously improves the construction of the digital transformation system, and formulates the *Regulations for the Management of Informatization Projects*. The Company has established a leading group for digital transformation composed of senior leaders and heads of various functional departments. This group is responsible for strategic decision-making and promotion of digital transformation to ensure the efficient execution of projects.




Strategy

During the digital transformation process, the Company faces risks such as technological risks, data security risks, and risks of organizational and cultural change. The Company actively adopts response strategies and formulates a clear digital transformation strategy.

With identified direction and goals of digital transformation, the Company prepared the *Outline of the Medium-and Long-Term Strategic Development Plan (2020-2030)* and the intelligent transformation plan for 2020-2030 to promote the construction of four-orientation factories featuring automation, digitalization, intelligence, and unmanned to improve production efficiency and innovation capabilities. The Company formulates a "new retail" strategy, and jointly develops a smart marketing cloud platform with Tencent and Huazhi IMT to connect the information chain of "factory-distributor-store-consumer", and construct an efficient upstream-downstream collaboration system.

Risks, Opportunities and Response Strategies Related to Digital Transformation Identified by Linglong Tire






Risks/opportunity category	Impact period	Financial impact	Response strategies
Risk	Technical risks	Medium and long term	Increase in operating costs
	Data security risks	Short, medium, and long term	Decrease in operating income
	Risks of organizational and cultural change	Medium and long term	Increase in operating costs
	Investment risks	Medium and long term	Loss of corporate funds
Opportunity	Opportunities for production efficiency	Medium and long term	Increase in operating income Decrease in operating costs
	Market opportunities	Medium and long term	Increase in operating income

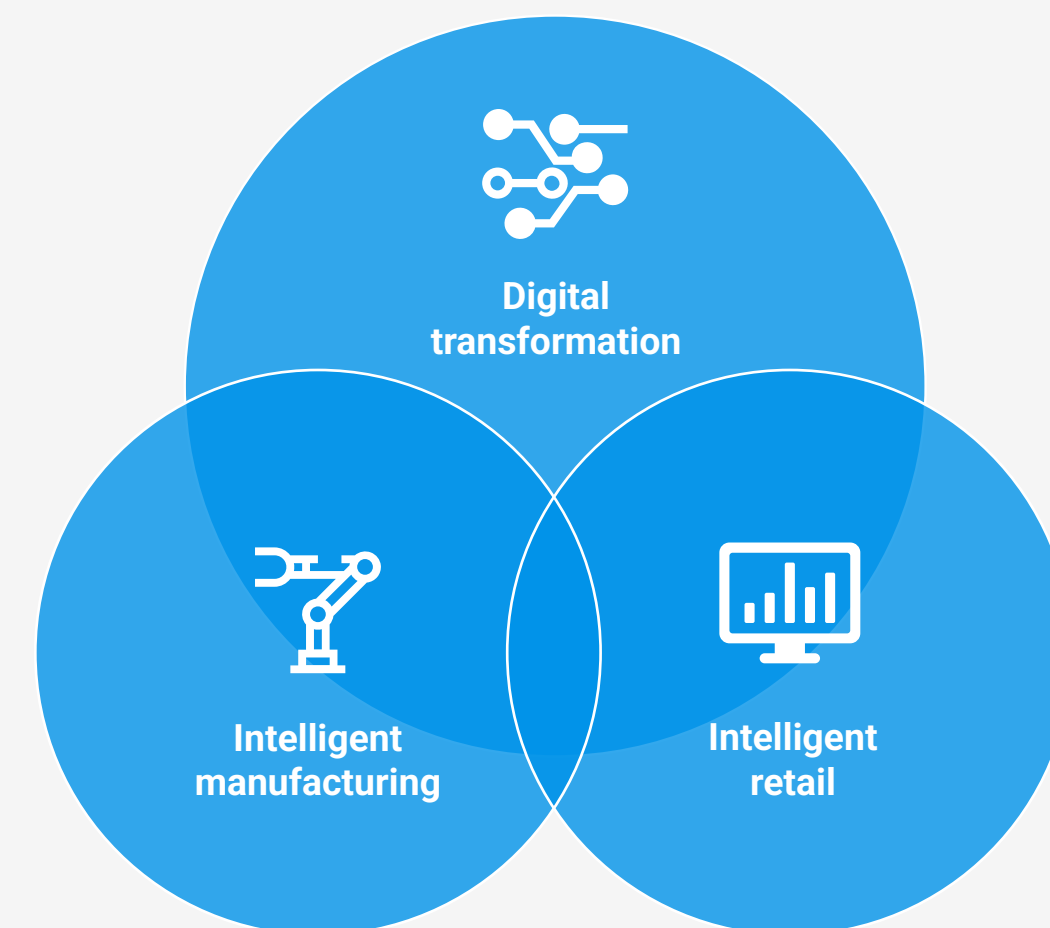


Impacts, Risks, and Opportunities Management

Linglong Tire follows a closed-loop process from risk identification to monitoring and management, to systematically assess and rank relevant risks, and formulate targeted response measures. The Company establishes a continuous monitoring mechanism to dynamically track the implementation effect. Linglong Tire continuously exerts efforts in both intelligent manufacturing and intelligent retail to ensure the effective implementation of the digital strategy.

Digital Transformation Management Process of Linglong Tire

Process	Specific measures
 Information collection	The Company cooperates with Tencent Cloud and Huazhi IMT to build a global industrial and intelligent retail platform, integrate data resources, collect market, customer, and technological information, and provide data support for digital transformation.
 Risk assessment	The Company identifies and assesses possible risks, such as technological implementation risks, data security risks, and market adaptation risks, to fully consider potential risk factors.
 Risk ranking	Based on the assessment results, the Company ranks various risks and prioritizes the handling of high-priority risks that may have a significant impact on the business to ensure the effective allocation of resources.
 Measure formulation	The Company formulates corresponding response measures for the identified risks. For example, by cooperating with Tencent Cloud and utilizing its technologies such as cloud computing, big data, and artificial intelligence, it enhances the Company's digital capabilities and reduces technological implementation risks.
 Monitoring implementation	The Company establishes a continuous monitoring mechanism to track the implementation effect of digital transformation measures, promptly detect and correct deviations, and ensure the effective promotion of the digital strategy.



Intelligent manufacturing

Linglong Tire continuously promotes the construction of four-orientation factories featuring automation, digitalization, intelligence, and unmanned operations at each manufacturing base. The Company implements the lean management model, and comprehensively promotes the construction of intelligent manufacturing factories. The Company has completed the intelligent construction projects such as the automatic conveyance of tire blanks, the AS/RS for components and raw materials, and the commissioning of automated guided vehicles (AGV) at the Passenger Car Radial (PCR) Tire Factory No. 6, the Truck and Bus Radial (TBR) Tire Factory No. 2, Liuzhou Factory, Thailand Factory, and Serbia Factory. In 2024, the Company put 27 sets of automated projects into use, and 17 sets of automated projects are under construction.

Construction Progress of the Four-orientation Factories of Linglong Tire in 2024

Development of the data monitoring and analysis platform	<ul style="list-style-type: none"> The Company integrates 9 information systems to obtain production and operation data, covering six categories of data analysis including production, quality, operation, warehousing, sales, and finance, and establishes digital models.
Development of the Enterprise Asset Management System (EAMS)	<ul style="list-style-type: none"> The Company develops and establishes more than 50 business processes for the whole process management of equipment procurement, use, maintenance, etc. The Company realizes 13 functions such as equipment management, tooling management, mold management, equipment emergency plan management, and equipment safety management.
Development of the Quality Management System (QMS)	<ul style="list-style-type: none"> Based on the overall product quality information, the Company realizes the function development of 13 major categories, including design quality, process quality, incoming quality, and supplier quality. All quality information is uniformly integrated into one platform to achieve quality data analysis, quality anomaly early warning, and quality improvement tracking, transform the original quality management mode, and improve management efficiency. The Company distributes, upgrades, and abolishes various management standards and management documents within the Company according to a unified process through document management. Integrated with the manufacturing execution system (MES), the documents applied to the production site are pushed to the corresponding production lines by category, promoting paperless operation and improving the efficiency of document distribution.

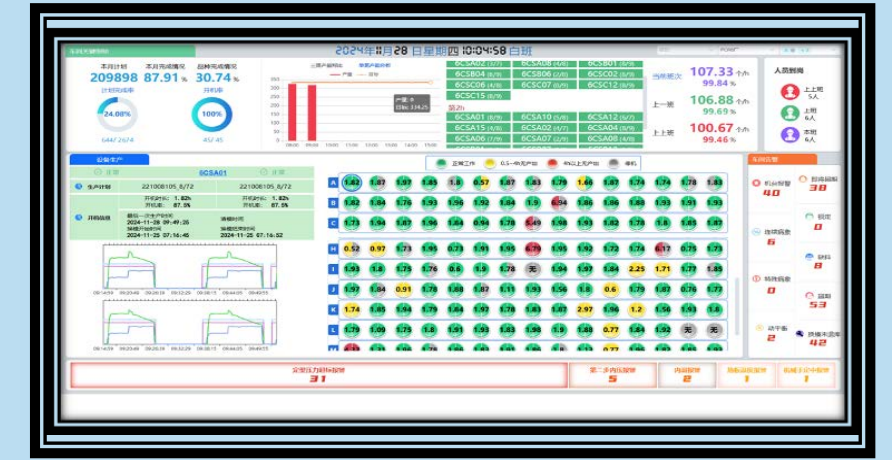


Linglong Tire Intelligent Factory



[Case] Promotion of the Visualization Dashboard Function

The Company improves the visualization dashboard, and quickly and effectively conveys management information to employees through visual means, improving work efficiency and management quality. The dashboard displays the status of the production site in real time, enabling managers to quickly grasp abnormal situations and take measures. By displaying quality standards on the dashboard, it helps employees clarify quality requirements, reduce the occurrence of quality problems, and ensure the stability and improvement of product quality.



Visualization Dashboard

In 2024, Linglong Tire Intelligent Factory was once again shortlisted in two important lists of the Ministry of Industry and Information Technology (MIIT).

"Linglong Big Data Platform Based on Artificial Intelligence" was successfully shortlisted in the Ministry of Industry and Information Technology's "Typical Application Cases of Artificial Intelligence Enabling New Industrialization of MIIT", which realizes real-time monitoring and optimization of the production process by collecting and analyzing huge amounts of production data, and greatly improves the production efficiency and product quality.

The "High-end Tire Whole-Process Data-Driven Intelligent Factory" was shortlisted in the Ministry of Industry and Information Technology's "Excellence-level Smart Factory (First Batch) Project List", which marks Linglong Tire's leading position in the field of intelligent manufacturing. The factory realizes the intelligent management of the whole chain from raw material purchasing to finished product leaving the factory through the whole-process data driving. Each link is subject to precise data analysis and optimization, ensuring high product quality and consistency.



List of Typical Application Cases of Artificial Intelligence Enabling New Industrialization



List of Excellence Level Smart Factory (First Batch) Project Announcement

Intelligent retail

The Company focuses on the transformation of the New Retail 3.0 project and the New Retail 2.0 project. The Company launches and improves the platforms of "Atlas Vehicle Maintenance Workshop" and "Atlas Truckers Home", and successfully realizes the new retail model of full-channel management of upstream and downstream, and management of all businesses and scenarios. Currently, the platforms have been promoted to multiple provinces and cities, supporting whole-round after-sales service and retail operation, improving customer service efficiency and after-sales management level, and saving a large amount of cloud resource consumption costs.

Project Achievements of Linglong Tire's Intelligent Retail in 2024

<p>"Atlas Vehicle Maintenance Workshop" platform</p>	<ul style="list-style-type: none"> The Company developed five major application terminals including the headquarters, operators, suppliers, stores, and car owners, involving 34 major business processes. The Company developed 41 operators and 700 auto repair shops as partners in 30 cities. The platform reached 142,992 car owners and assisted each repair shop in launching various marketing activities such as package cards, stored-value cards, and coupons.
<p>"Atlas Truckers Home" platform</p>	<ul style="list-style-type: none"> The Company developed five major application terminals including the headquarters, operators, suppliers, stores, car owners, teams, and major customers, involving 50 major business processes. The Company developed 73 operators and 1,028 auto repair shops as partners in 60 cities. The platform reached 289,498 car owners and assisted each repair shop in launching various marketing activities such as package cards, stored-value cards, and coupons.



[Case] Atlas Truckers Home: One-stop Digital Service for Truck Drivers

Atlas Truckers Home is a leading platform in China's automotive aftermarket. The platform is committed to providing car owners with online purchasing and offline installation services for tires, maintenance products, and decoration projects through an innovative intelligent retail model. With the deepening of the digital transformation in 2024, Atlas Truckers Home enhances the customer experience through intelligent operation and an omni-channel retail model, driving the continuous growth of the business.



Introduction to Atlas Truckers Home

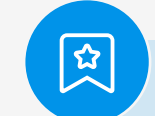


Indicators and Targets

The Company sets digital transformation management indicators and targets, and continuously tracks the completion of the objectives to ensure the effective promotion of the digital transformation work.

Digital Transformation Management Targets and Progress of Linglong Tire in 2024

Indicators	Targets	Progress
Annual completion rate of informatization projects	100%	Completed
Annual completion rate of branch factory promotion	100%	Completed



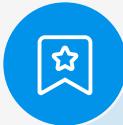
In 2024, the Company received the certifications of "The Largest Sales Volume of Passenger Car Tires in China" and "The Largest Sales Volume of Tires for Global New Energy Vehicles" awarded by Frost & Sullivan, demonstrating widespread market recognition.

R&D innovation

Linglong Tire formulates a global R&D strategy of "Three Countries and Seven Regions"^①. The Company establishes a global open R&D and innovation system, sets up a post-doctoral workstation, and builds innovation platforms such as a tire NVH laboratory and a dynamics laboratory. By the end of 2024, the Company had a national-level industrial design center, a national-recognized enterprise technology center, and a national-recognized laboratory.

The Company continuously promotes product R&D innovation, and strengthens the development of tires for NEVs, low-rolling-resistance tires, and 3A products to meet the market demand for high fuel economy under the national "carbon peaking and carbon neutrality" strategy. For the innovation of the Company's raw materials, please refer to the "Circular economy" section.

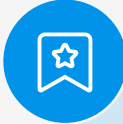
By the end of 2024, Linglong Tire has participated in the formulation and revision of 188 international, national, local, and industrial standards, of which the Company has presided over 25 in total.



[Case] Promoted the development of tires for new energy vehicles

The Company is committed to the development of tires for NEVs. Through the research of new technologies such as low rolling resistance, silent sponge, and self-healing, the Company solves the problems of the driving range and noise of NEVs, making the products safer and enhancing the driving experience of customers for NEVs.

By the end of 2024, the Company's tires for NEVs have successfully been matched with two mainstream models of BYD, all-electric vehicles of SAIC-GM-Wuling, as well as NEV manufacturers such as Nissan, Honda, Renault, Hongqi, Geely, Changan, Seres, and Leapmotor, ranking among the top in the industry in terms of tire matching for NEVs.



[Case] Accelerated the development of low-rolling-resistance products

The Company uses FEA simulation technology to simulate the contact patch, rolling resistance, wet skid, noise, and durability, guiding the innovative design and application of the contour, pattern, structure, and low-rolling-resistance materials of high-end low-rolling-resistance products. By the end of 2024, the Company completed the development and market launch of ultra-low-rolling-resistance products in the specifications of 12R22.5, 295/80R22.5, and 315/70R22.5 for long-distance trunk logistics transportation of commercial vehicles. The rolling resistance reaches Class A of the EU labeling laws, and the rolling resistance is 30% lower than that of similar ordinary products.

Note ① "Three Countries and Seven Regions" include China (Zhaoyuan, Yantai, Beijing, Shanghai, and Jinan), Germany, and the United States.

Intellectual property protection

Linglong Tire strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, as well as management regulations in the places where it operates. The Company formulates systems such as the *Intellectual Property Management System*, continuously strengthens the Company's intellectual property management, and improves employees' awareness of intellectual property management and protection. While protecting its own intellectual property, Linglong Tire ensures that it does not infringe on the intellectual property of others.

In 2024, the Company organized 120 technical personnel and engineering equipment personnel from the bases in Zhaoyuan, Dezhou, Guangxi, Hubei, and Jilin to participate in the patent risk prevention and control training. The training introduced the patent layout of Chinese enterprises and the risk prevention and control work in the development of domestic and overseas markets from aspects such as the layout of patent work, the establishment of a patent risk prevention and control system, the response to patent infringement warnings, the matters needing attention regarding standard-essential patents, and the American patent litigation procedures and risk control.

In 2024, the Company newly obtained 221 authorized patents, 11 approved trademarks, and 3 registered software copyrights.

New and Cumulative Patents of Linglong Tire in 2024

Number of new patents in 2024

Cumulative number of patents by the end of 2024^①



51 invention patents



170 invention patents



141 utility model patents



632 utility model patents



29 design patents



597 design patents

Note ① The cumulative number of patents is the number of patents within the valid period.

Safety and Quality of Products and Services



Safety and Quality of Products and Services

Product quality management

The Company produces passenger car and light truck radial tires, truck and bus radial tires, and off-road tires. The Company strictly complies with laws, regulations and relevant provisions such as the *Product Quality Law of the People's Republic of China* and the *Provisions on the Administration of Compulsory Product Certification*. Adhering to the quality management policy of "Customer Centered, Staff Oriented, Environmental Protection, Energy Conservation, Safe, Lean, Linglong Brand, Harmony, Reciprocity", the Company continuously improves the product quality management system.

Governance

Linglong Tire prepared standards and systems such as the *Instructions for Raw Material Inspection*, and established a Quality Management Department led by the Vice President. By adopting the "5M1E" (Man, Machine, Material, Method, Measure, Environment) quality management analysis mode to control the product quality, the Company continuously improves the product quality management system, and maintains the stability of high product quality. In 2024, in response to the impact of the *EU Deforestation Regulation* (EUDR) on the Company's products, the Company newly formulated the *Regulations on EUDR Traceability Management* to ensure compliance with EU requirements.

Linglong Tire Product Quality Management System

Main management system documents

- Instructions for Raw Material Inspection*
- Packaging, Transportation, and Storage Requirements for Raw Materials for Tires*
- Requirements for Raw Material Quality Control*
- Nonconforming Product Control Procedures*
- Defective Tire Recall Management Procedures*

Governance structure

"5M1E" quality management analysis mode

- The Company trains the skills of personnel in key positions.
- The Company uses high-precision production equipment and conducts regular equipment maintenance.
- The Company improves the control of raw material quality.
- The Company conducts quality inspections on products, and regularly calibrates equipment and instruments.
- The Company controls the temperature and humidity of the production environment.
- The Company promotes lean production and refined management.

Strategy

In 2024, the Company actively identified risks related to product quality management and formulated response strategies in advance.

Product Quality-related Risks Identified by Linglong Tire and Response Strategies

Risk category	Description	Impact period	Financial impact	Response strategies
Compliance risk	After the EUDR regulation comes into effect, if the Company cannot ensure that the production process of products exported to Europe is deforestation-free, it may face compliance risks.	Medium and long term	Decrease in operating income	<ul style="list-style-type: none"> • The Company formulated the <i>Regulations on EUDR Product Traceability Management</i> and carries out compliant procurement and production work in advance. • The Company gives priority to suppliers that meet EUDR requirements, establishes and maintains a due diligence investigation system, and strengthens supply chain audits. • The Company develops alternative materials to reduce dependence on raw materials involved in deforestation.
	The two new national standards, the <i>Passenger Car Tires</i> and <i>Truck Tires</i> , put forward new requirements for the tire rolling resistance performance and the relative wet grip performance. If the Company's products fail to meet the requirements of the new regulations, they may face quality compliance risks.	Medium and long term	Increase in operating costs	<ul style="list-style-type: none"> • The Company strengthens its R&D capabilities. • The Company purchases testing equipment for routine inspections and performance verification. • The Company repositions its products based on the improvement of product performance.
Risks of product quality affected by production and inspection processes	The various production and testing processes may impact the key, important and general characteristics of product quality.	Short, medium, and long term	Increase in operating costs	<ul style="list-style-type: none"> • The Company identifies the influencing characteristics, prepares the <i>Control Plan</i> and the <i>Standard Operation Procedures</i>, and conducts management and control according to the identified control items and methods.
Product return risk	If there are product quality problems or the products do not meet customer requirements, products may be returned.	Short, medium, and long term	Decrease in operating income	<ul style="list-style-type: none"> • The Company formulates a customer complaint handling process and a returned product analysis process, and improves product performance and quality through feedback analysis.



Impacts, Risks, and Opportunities Management

The Company ensures that the risks and opportunities are identified once a year by developing the *Risk and Opportunity Response Control Procedure* and establishing a complete control and response process for risks and opportunities. The Company prioritizes the risks according to the identified severity, occurrence frequency, detectability, and risk matrix analysis, and develops the *Risk and Opportunity Response Measures*.

Methods for Identifying Product Quality Risks of Linglong Tires

- The Company uses Failure Mode and Effects Analysis (FMEA) to analyze possible failure modes in products and processes and their potential causes and effects.
- The Company uses historical data analysis to identify patterns that may lead to future problems.
- The Company uses market research and customer feedback to understand the actual performance of product quality and customer expectations.
- The Company uses Fault Tree Analysis to identify the root causes of quality problems.
- The Company uses Statistical Process Control (SPC) to monitor the production process to ensure the consistency of product quality.

The Company has formulated and published the *Quality Policy and Product Safety Statement*, established a rigorous product quality testing system and a proactive product quality testing and management mechanism. The Company conducts regular quality and safety testing of its products, identifies potential product quality and safety risks, and undertakes preventive product quality inspection and management.

Key Product Quality Management Measures of Linglong Tire in 2024

Aspects	Specific measures
Product quality testing	<ul style="list-style-type: none"> • In terms of banned substances in tires, the Company implemented a dual testing protocol involving both in-house and third-party institutions. A total of 207 batches were sampled internally, while an additional 67 samples were submitted to external testing institutions. All results were satisfactory. • The Company conducted routine inspections on finished tires, covering 200 specifications of passenger and light truck radial tires, 94 specifications of truck and bus radial tires, and 10 specifications of off-highway tires. All inspected items met the requirements of the corporate standards.
Quality system audit	<ul style="list-style-type: none"> • The Company conducted 12 product audits annually to verify continuous compliance of its quality management system with the updated industry standards and regulatory mandates.
Quality awareness training	<ul style="list-style-type: none"> • Throughout the year, the Company consistently conducted evaluation activities for quality champions and advanced teams, fostering participation from all employees, across all processes, and in all aspects. As a result, a total of 171 outstanding individuals were recognized as quality champions, and 153 teams were honored as excellent teams. • The Company launched a comprehensive quality awareness initiative, targeting senior, middle, and front-line managers as well as front-line employees. This initiative included an in-depth article-by-article interpretation of the <i>Nine Linglong Quality-related Red Lines</i>. The Company strove to enhance the quality compliance awareness among all employees. In 2024, the compliance rate for employees adhering to red line regulations remained at 100%.

The Company has formulated the *Nonconforming Product Control Procedures* and the *Defective Tire Recall Management Procedures* to establish a comprehensive product recall process. Concurrently, the Company has clarified the disposal process for nonconforming products and standardized the disposal and management of such products.

Disposal Measures for Nonconforming Products of Linglong Tire

Nonconforming semi-finished products	<ul style="list-style-type: none"> • Disposal methods: rework, repair, dispose, downgrade, and scrap. • Nonconforming semi-finished products that need self, mutual or special inspection for rework, repair, scrap and disposal shall be labeled, isolated, stored and managed by the Production Department, and disposed of in accordance with the nonconforming product management measures issued by the Company's Research Institute. • Nonconforming semi-finished products, after rework or repair, shall be re-inspected by the Quality Management Department. The number of reworked or repaired items and the disposal details and date of rework or repair shall be recorded by the Production Department.
Nonconforming finished products	<ul style="list-style-type: none"> • Disposal of such products shall be made in accordance with the review opinions of the Company's Research Institute. • Finished tires with appearance defects and within the scope of repair shall be re-inspected and judged after repair. Other nonconforming tires shall be disposed of as per the finished product inspection standards. • Special appearance requirements from customers shall be followed. • The Company's materials management office and relevant departments should ensure that nonconforming finished products and products to be scrapped that are labeled and isolated in the warehouse are all enclosed or under controllable management.



Indicators and Targets

The Company has established indicators and targets of comprehensive quality management, implemented a systematic tracking mechanism to monitor objective achievement, and developed a sustainable oversight framework to ensure effective execution of quality management initiatives

Product Quality Management Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Percentage of each manufacturing base obtaining ISO 9001 and IATF 16949 certification for quality management system	100%	Completed
Tire recalls	0	No tire recalls
Major accidents of product and service related safety and quality liability	0	No major accidents of product and service related safety and quality liability

Customer Relationship Management

Governance

Adhering to the service concept of "All for Customers", Linglong Tire has established a global marketing center directly under the President's supervision, within which the Marketing Department was established. The Company has also established systems such as the *Service and Feedback Management Procedures* and *Customers' Complaints Handling Procedures* and has developed a comprehensive customer service management system. The Company seeks to continuously bolster the quality of customer service, as well as customer satisfaction.

Linglong Tire Customer Service Management System



Strategy

The Company regularly identifies risks related to customer service and actively formulates response strategies to continuously boost service quality and customer satisfaction.

Risks Related to Customer Service Identified by Linglong Tire and Response Strategies

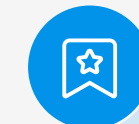
Risk category	Impact period	Financial impact	Response strategies
Customer complaint risk	Short, medium, and long term	Increase in operating costs Decrease in operating income	<ul style="list-style-type: none"> Enhance customer service through the dedicated 400 hotline, empowered by a comprehensive call tracking system to ensure consistent delivery of high-quality telephone support.
Customer attrition risk	Medium and long term	Decrease in operating income	<ul style="list-style-type: none"> Regularly carry out customer visit services, provide training and guidance to customers, and solve customer problems in a timely manner.

Impacts, Risks, and Opportunities Management

The Company continuously refines its customer relationship management process, managing customers through the customer relationship management (CRM) system based on classifications. The Company assigns business teams to handle sales and relationship maintenance, strengthens pre-sales, in-sales, and after-sales customer service processes, and establishes long-term and stable cooperative relationships with customers, in the hope of achieving mutual benefit and win-win development.

Linglong Tire Customer Service Measures

Establishment of platforms for customer services and communication	<ul style="list-style-type: none"> Established a new retail platform and developed WeChat APP mini programs such as Linglong Chip Guarantee, Atlas Truckers Home and Atlas Vehicle Maintenance Workshop to facilitate customer feedback and consultation. Launch a dedicated 400 hotline service, operating 24/7 to provide round-the-clock customer support and professional consultation services. Consistently expand its sales and service network coverage.
Customer relationship maintenance	<ul style="list-style-type: none"> Establish a customer management system, implement hierarchical customer management, deepen cooperation and enhance customer stickiness through periodic business visits, technical training, and terminal store meetings. Conduct monthly market revisits to provide customers with comprehensive explanations of policies and claims knowledge, and promptly address any customer problems.
After-sales service	<ul style="list-style-type: none"> Linglong Chip Guarantee Plan: Provide road risk guarantee for policy-related series products, i.e. compensation for bulges caused by customers' personal misuse. Roadside Assistance: Promptly provide customers with spare tire changing service through cooperation with third parties. Nationwide Warranty: After purchasing tires, customers can enjoy product services at any store nationwide. Launch exclusive Atlas truck driver service. Launch master and Ultimate Series high-end product series service support policies.
Customer complaint management	<ul style="list-style-type: none"> Complaint channels include 400 hotline and new retail platform. <p>In 2024, the Company received 11 complaints about product quality issues, all of which have been properly handled in accordance with the <i>Customers' Complaints Handling Procedures</i>.</p> <p>Procedure for Handling Customer Complaints</p> <div style="display: flex; justify-content: space-around;"> <div style="background-color: #007bff; color: white; padding: 5px; text-align: center;"> <p>Complaint Receipt</p> <p>The business department that receives the feedback should timelyfill in the Disposition Form for Customer Complaints and specifythe urgency and severity of the problem according to thecustomer's demand and market conditions.</p> </div> <div style="background-color: #007bff; color: white; padding: 5px; text-align: center;"> <p>Resolution by Classification</p> <p>The Company's Quality Management Department shall classifyand handle the complaints. After internal rectification andprocessing, the relevant departments shall reply to the customerwith the solution results, and follow up the internal rectification.</p> </div> <div style="background-color: #007bff; color: white; padding: 5px; text-align: center;"> <p>Rectification Assessment</p> <p>The Company shall formulate recurrence prevention measures,improve standard documents after validation of the measures, andhorizontally assess the problem rectification in each subsidiary forpreventing recurrence.</p> </div> </div>



[Case] Strengthened communication with overseas customers

In March and July 2024, the Company held a meeting of distributors in the European region and Middle East and Africa region at the Serbian plant, and signed medium- and long-term strategic cooperation agreements with some of the customers to further deepen the relationship with them.

In September 2024, the Company held the celebration of mass production in the Serbia plant and invited partners from all over the world to gather in Serbia.



Group Photo of Distributor Meeting

Celebration Scene



Indicators and Targets


The Company has formulated objectives related to customer management and established monitoring and supervisory mechanisms to ensure the effective implementation of customer management.


Customer Management Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Customer satisfaction	97.75%	99.64%
Number of violations of laws and regulations in marketing	0	0



- Among Linglong Chip Guarantee activities, 4,599 coverage services were provided to customers in the Lingerie Core coverage activities. By the end of 2024, a total of 20,535 protection services were provided.
- In 2024, 1,972 nationwide warranty and roadside assistance stores were set up, and a total of 13,181 stores were brought to fruition.
- In 2024, a total of 11,304 hotline services and consultations were delivered.
- Throughout 2024, the Company conducted monthly market revisits, organizing a cumulative total of 5,236 store visits.
- In 2024, Linglong Tire achieved a B95 in the Sustainability Assessment Questionnaire 5.0 (SAQ 5.0).







B
95
SAQ 5.0 评分

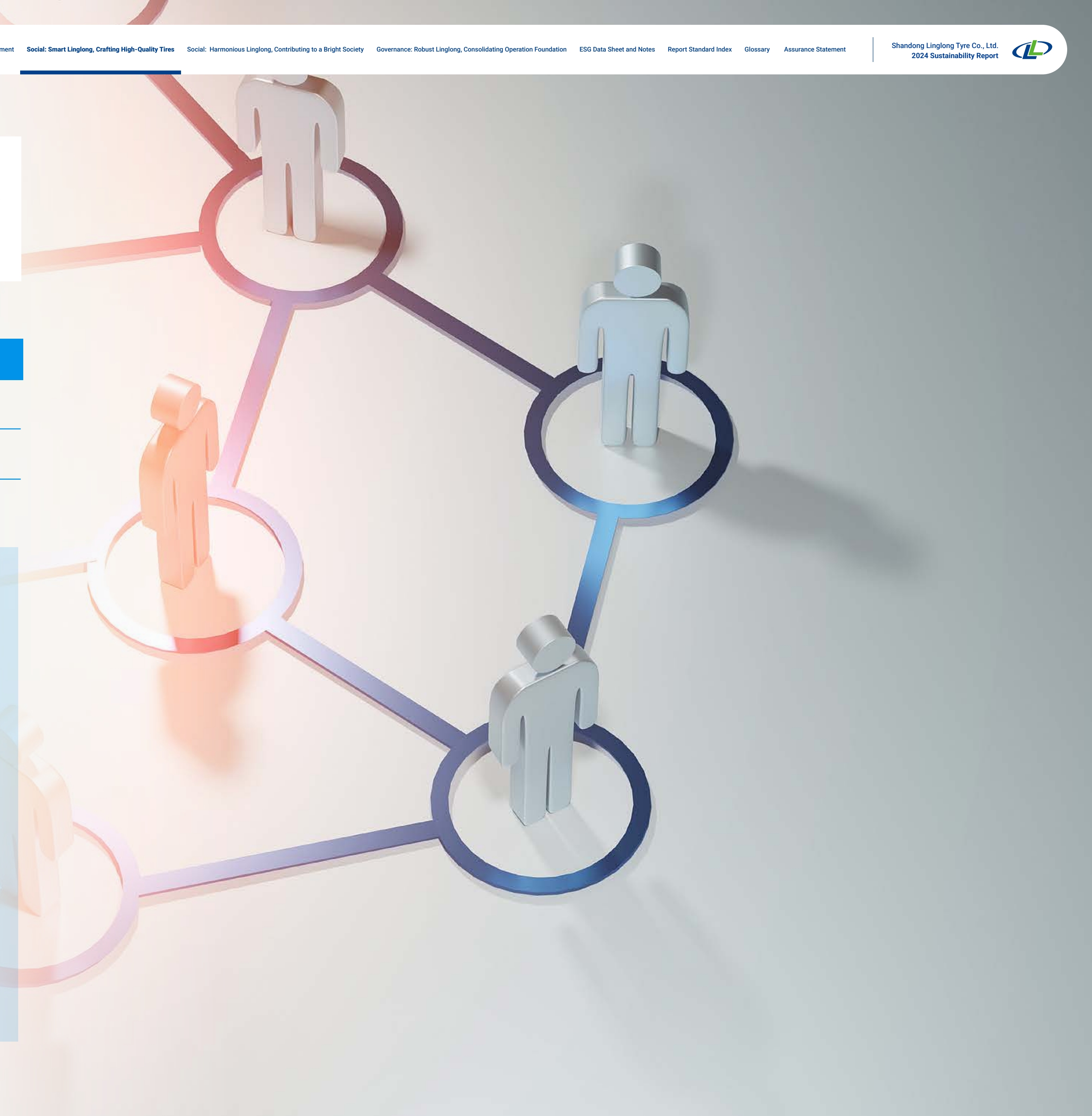
SAQ 5.0 评分报告

机构名称 SHANDONG LINGLONG TYRE CO.LTD	SHANDONG LINGLONG TYRE CO.LTD
地址名称 DUNGS	528191499
行业领域	22.11 - 橡胶轮胎和内饰的制造 - 橡胶轮胎的翻新和再造
地址	NO 777 JINLONG ROAD, ZHAOYUAN SHANDONG PROVINCE, Zhaoyuan, 265400
国家	中国
SAQ 5.0 完成日期	10/07/24



扫描代码验证
这些结果





Data Security and Customer Privacy Protection

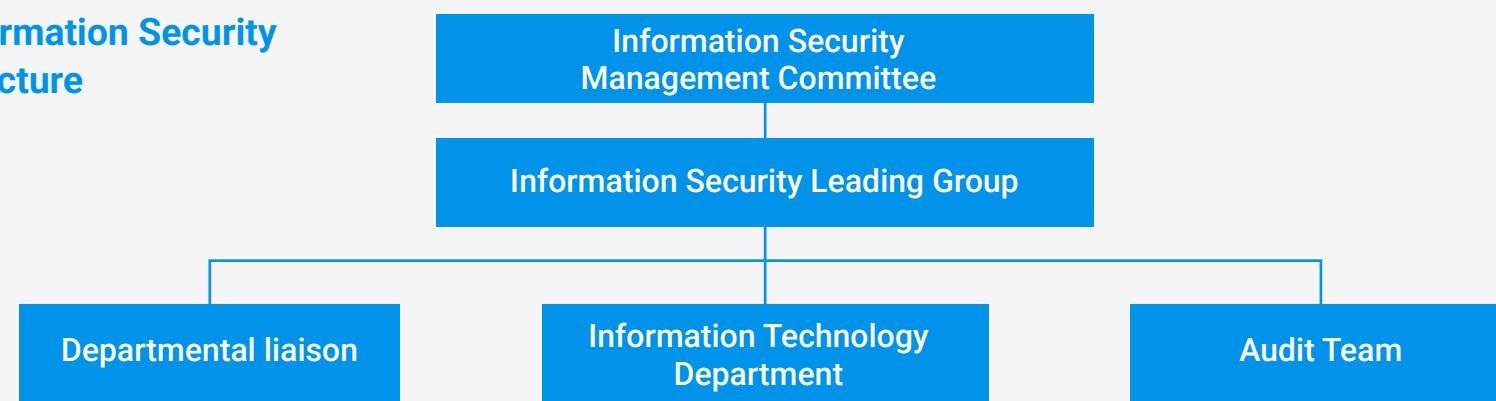


Data Security and Customer Privacy Protection




Linglong Tire primarily handles data and customer privacy information in its production and operational processes, including internal system data, basic customer information, intellectual property data, and other relevant information.

The Company strictly adheres to the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Measures for Security Assessment of Data Export*, and other applicable laws and regulations, as well as the management regulations in its operational locations. Linglong Tire has established a comprehensive management system for data security and customer privacy protection by formulating policies such as the *Data Management Regulations* and the *Cross-border Data Security Management Standards*. The Company is making continuous efforts to advance the progress of its ten-year plan for information security. In 2024, in accordance with the ISO 27001 and TISAX 6.0 standards, the Company conducted reviews, updates, and enhancements of its internal management systems. A total of 21 internal management systems, including the *Data Protection Management Regulations* and the *Data Management System*, were published. The organizational structure for data security management was also updated to further bolster the data security and customer privacy protection system.

Linglong Tire Information Security Organization Structure



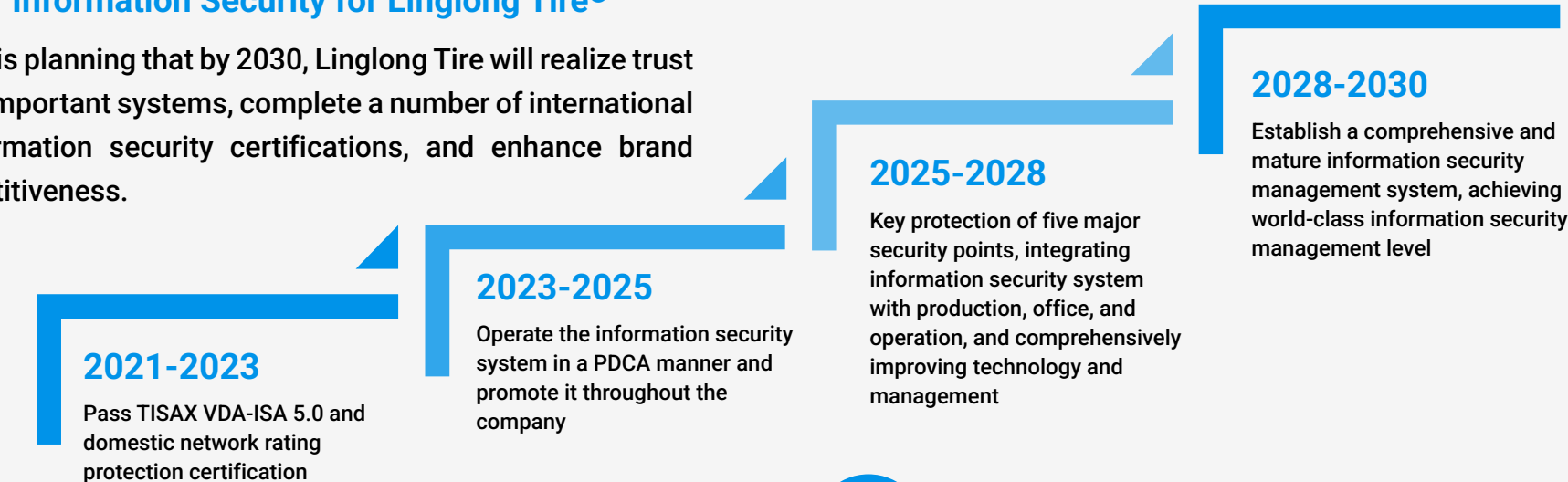
Linglong Tire Information Security Organization Responsibilities

 <p>Information Security Management Committee</p>	<ul style="list-style-type: none"> • Be responsible for decision-making and evaluation of information security management. • Review and approve information security policy and strategy.
 <p>Information Security Leading Group</p>	<ul style="list-style-type: none"> • Decide on information security incidents and judge the severity of information security incidents. • Validate the findings of the information security assessment, coordinate and facilitate the implementation of improvement initiatives, and oversee the remediation of critical risks. • Oversee and review internal information security programs.
 <p>Relevant heads and departments</p>	<ul style="list-style-type: none"> • The departmental liaison is accountable for enforcing information security policies, standards, and procedures, conducting regular departmental information security risk assessments, and facilitating the successful execution of information security audits. • The Information Technology Department is responsible for maintaining the Company's information security management system, formulating information security management-related procedures and plans, organizing and coordinating the departments to carry out risk assessment, and conducting regular information security management audits. • The Information Security Audit Team is responsible for formulating information security audit plans, carrying out audits, issuing audit result reports and tracking the progress of improvement proposals.

The Company consistently maintains its internal system operations through the PDCA cycle. Annually, the Company conducts comprehensive internal system audits, performs system updates and evaluations, and implements self-assessments to identify any potential problems, followed by correction and enhancement. In 2024, the Company successfully completed a thorough self-assessment of its data security capabilities and cross-border data protection measures. The assessment revealed no significant vulnerabilities, and no reported incidents of information security breaches or violations of customer privacy throughout the year.

Ten-year Plan for Information Security for Linglong Tire^①

Goal: The Company is planning that by 2030, Linglong Tire will realize trust certification for its important systems, complete a number of international and domestic information security certifications, and enhance brand security and competitiveness.



Main Measures and Achievements of Data Security and Customer Privacy Protection of Linglong Tire in 2024

<p>System upgrade</p>	<p>The Company conducted a version upgrade of its real-time monitoring and alert platform for basic equipment, resulting in an 80% increase in the number of monitoring hosts and a 65% increase in the number of monitoring items. The number of triggers was enhanced by 90%. The data centers of each manufacturing base incorporated a unified security management and comprehensive audit system, enabling real-time server monitoring and risk alerts.</p>
<p>Vulnerability scanning and rectification</p>	<p>The Company conducted 10 vulnerability scans on internal network devices and 4 penetration tests, achieving a total rectification rate of 90%. All issues related to externally accessible systems were fully rectified, thereby bolstering the Company's servers, databases, and network infrastructure.</p>
<p>Specialized training and emergency drills</p>	<p>The Company organized 2 training sessions on backup management, 2 training sessions on emergency drills, and 16 disaster recovery drills. These sessions covered various scenarios, including data center operations, network attacks, database recovery, and information security incidents. Through these efforts, the Company continuously refined its emergency response mechanisms and uplifted its emergency response capabilities. Six database backup recovery tests were conducted to validate the efficacy of the backups.</p>
<p>Information security awareness training</p>	<p>The Company delivered two company-wide information security awareness training sessions, encompassing email security protocols, data protection measures, personal information safeguarding, and risk mitigation strategies. The Company conducted three specialized training sessions focusing on account security and email protection, specifically designed to boost employees' understanding and implementation of password management policies, secure storage practices, and proper usage protocols.</p>

[Case] Conducted specialized training sessions on account and email security

In July 2024, the Company conducted specialized training sessions on account and email security, with participation from 101 certified information security officers. The training was designed to enhance employee awareness in key areas including password management policies, account security protocols, and prevention of spam and phishing attempts.

Specialized Training Scene

- In 2024, the Linglong New Retail System passed the certification of Cybersecurity Level Protection Assessment Level 2, and the rating of the Linglong Tire Production Business Management System remained at Cybersecurity Level Protection Level 2.
- In November 2024, the Company newly obtained the certification of TISAX Prototype Test Vehicle Handling based on the original TISAX label, which further validated the Company's ability to manage the safety of prototype test vehicles.

Note ① 1. TISAX VDA-ISA 5.0: The VDA-ISA (Information Security Assessment) standards and TISAX certification were established and introduced by the Verband der Automobilindustrie (VDA) based on the ISO 27000 Standards. 2. PDCA: The information security management system is developed under the PDCA Cyclic Model, which is divided into four stages: security risk assessment, the planning of system construction program (Plan), the establishment and implementation of information security management system (Do), the assessment of system performance (Check), and continuous improvement (Action)



Supply Chain Management



Supply Chain Management

Linglong Tire's supplier portfolio is primarily categorized into two key segments: raw material suppliers and infrastructure suppliers.

Linglong Tire Supplier Category

Category	Definition
Key suppliers	Suppliers involved in raw materials related to tire safety or laws and regulations
Raw material suppliers	Important suppliers Suppliers of raw materials that are not related to tire safety or laws and regulations, but have an important impact on the quality or performance of tires or rubber materials according to past experience
	General suppliers Suppliers of raw materials that are not directly used in the process of tire production or have no important impact on the quality and performance of tires or rubber materials
	Infrastructure builders Contractors that enter the plant to carry out construction
Infrastructure suppliers	Infrastructure service providers Organizations that do not enter the plant to carry out construction or need to enter the plant temporarily to carry out services, like design, supervision, survey, testing, and supply



Strategy

The Company is dedicated to building a green, secure, and transparent supply chain, systematically identifying, assessing, and mitigating risks associated with supply chain operations while proactively developing response strategies.

Major Supply Chain Management Risks Identified by Linglong Tire and Response Strategies

Risk category	Risk incident	Impact period	Financial impact	Response strategies
Supply chain security risk	Violation of international regulations	Medium and long term	Decrease in operating income	<ul style="list-style-type: none"> Set up EUDR team, establish and improve EUDR due diligence system to ensure that suppliers' products comply with regulatory requirements.
	Risk of raw material supply and price fluctuation	Medium and long term	Decrease in operating income Increase in operating costs	<ul style="list-style-type: none"> Promote supplier diversification, ensure stable supply, and rationally select procurement timing to reduce procurement costs.
Supplier environmental and social risk	Forced labor of suppliers	Short, medium, and long term	Decrease in operating income	<ul style="list-style-type: none"> Require suppliers to comply with the <i>Supplier Code of Conduct</i> and sign a letter of commitment.
	Supplier corruption	Short, medium, and long term	Decrease in operating income	<ul style="list-style-type: none"> Establish and boost supply chain risk assessment tools. Improve supplier review mechanism and conduct annual/quarterly inspections based on supplier risk ratings.
	Damage to the environment caused by suppliers	Short, medium, and long term	Decrease in operating income	<ul style="list-style-type: none"> Regularly promote sustainability to suppliers.
	Other violations of national laws and regulations and the Company's <i>Supplier Code of Conduct</i>	Short, medium, and long term	Decrease in operating income	<ul style="list-style-type: none"> Further the supplier management system, clearly require suppliers to establish a sustainability management system, and enhance the constraints on secondary and tertiary suppliers.



Governance

The Company has established internal policies including the *Regulations on Supplier Sustainability Management* and the *Regulations on Management of Infrastructure Builders and Service Providers* to continuously enhance its supply chain management system. The Supply Chain Committee is responsible for supplier management, risk control, and sustainable management supervision. In 2024, to further the sustainability of the supply chain, the Supplier Management Section of the Company is tasked with strengthening the selection of qualified suppliers, managing their day-to-day sustainability practices, and enhancing risk prevention and control measures, thereby reinforcing the overall supply chain management.



Impacts, Risks, and Opportunities Management

The Company has implemented a robust supplier management framework, featuring a comprehensive risk assessment mechanism during the supplier onboarding process. Based on the risk rating outcomes, the Company enforces a tiered risk management approach, mandating suppliers to implement stringent measures to mitigate potential supply chain risks.

The Company has established a comprehensive *Supplier Code of Conduct*, which outlines explicit requirements across multiple dimensions including human rights protection, occupational health and safety standards, business ethics compliance, and environmental responsibility. This initiative significantly enhances its sustainable supply chain management practices.

Linglong Tire Supply Chain Risk Management Process

Link	Measures
Selection and management of potential suppliers	Before onboarding, the Company shall collect suppliers' qualification information and quality capability information. Linglong Tire shall conduct public opinion monitoring, compliance screening, and supplier assurance questionnaire (SAQ) assessments. Only suppliers deemed to be of medium or low risk may be included in the list of qualified suppliers.
Categorized management of qualified suppliers	The Company shall implement ongoing public opinion monitoring and compliance screening for all suppliers, coupled with periodic SAQ assessments based on the respective risk ratings. SAQ assessments shall be conducted annually for medium risk and every three years for low risk. For unexpected risk incidents, escalation and risk mitigation processes shall be established.

Key Supplier Management Measures and Achievements of Linglong Tire in 2024

Aspects	Specific measures
Improvement of management system	<ul style="list-style-type: none"> The Company revised the <i>Regulations on Supplier Sustainability Management</i>, added SAQ assessment guidelines, and human rights/accommodation environment assessment and evaluation rules, and increased the requirements for internal audits.
Management capacity enhancement	<ul style="list-style-type: none"> The Company organized specialized training programs for relevant personnel, including SA8000 Internal Auditor certification, SAQ, and human rights & environment review. In November 2024, to enhance supply chain management in the areas of human rights, social responsibility, and environmental sustainability, the Company conducted comprehensive SA8000 Internal Auditor training sessions targeting supplier management professionals across multiple categories: raw materials, spare parts and molds, infrastructure, equipment, information technology, logistics, and general services.



Training Scene

Aspects	Specific measures
EUDR response	<ul style="list-style-type: none"> The Company enhanced its EUDR due diligence system and formulated a series of documents, including the EUDR Due Diligence Management Requirements, EUDR Product Traceability Management Regulations, EUDR Declaration of Conformity, EUDR Suppliers' Informed Consent, and EUDR Audit Report Template, among others. The Company conducted on-site EUDR due diligence at 11 EUDR factories. The due diligence focused on the suppliers' EUDR due diligence systems and production traceability management. Through on-site visits, the Company gained insights into the suppliers' rubber plantation and processing, as well as their measures to address relevant challenges. These efforts ensured that the suppliers' products are in full compliance with the EUDR regulatory requirements.
Supplier assessment and audit	<ul style="list-style-type: none"> The Company advanced the development of the SAQ platform to evaluate suppliers' sustainability performance across multiple dimensions, encompassing environmental, social, and governance (ESG). The Company undertook annual routine audits of its raw material suppliers, with a total of 113 suppliers undergoing such audits in 2024.
Promotion of RSCI certification for suppliers	<ul style="list-style-type: none"> In line with the requirements of the RSCI platform and customer sustainability standards, the Company actively promoted RSCI audits among its suppliers. In 2024, four suppliers successfully completed the audits and certification process and obtained the relevant labels.
Supplier training	<ul style="list-style-type: none"> The Company organized four supplier training sessions, focusing on quality management, publicity and implementation of sustainability requirements, and SAQ training among other topics.
Supplier's environmental management	<ul style="list-style-type: none"> Mandatory carbon footprint reporting has been implemented, with 135 suppliers having successfully submitted their reports to date, and organized suppliers to submit carbon emission reduction plans. According to the standard requirements for banned substances issued by the Research Institute, suppliers were required to submit banned substance test reports or banned substance compliance statements every six months, and the number of suppliers submitting reports or statements accounted for 100% in 2024.
Anti-corruption management for suppliers	<ul style="list-style-type: none"> The Company signed the <i>Anti-bribery Agreement</i> with suppliers, which ensured the fulfillment of business contracts between the parties and avoided corruption incidents.



On-site EUDR Due Diligence at Factories



Indicators and Targets

Supply Chain Management Targets and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Completion rate of supplier site audit program	100%	100%
Signing rate of the <i>Anti-bribery Agreement</i>	100%	100%

Social

Harmonious Linglong, Contributing to a Bright Society

Work Safety

Employees

Community Co-construction
and Public Welfare Charity



Work Safety

 <p>SUSTAINABLE DEVELOPMENT GOALS</p>	<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
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Work Safety

The Company upholds the work safety management philosophy of "Safety First, Prevention Foremost, Comprehensive Management, Full Participation, and Continuous Improvement". With "Zero Accidents" as its unwavering goal, the Company continuously refines its management of occupational health and safety to provide a safe working environment for its employees.



Governance

The Company strictly complies with pertinent laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The Company has formulated the *Safety Management System* to establish a comprehensive and robust framework for work safety management.

The Company has established a Work Safety Committee (hereinafter referred to as the "WSC"), chaired by the President, to ensure annual investments in safety initiatives. The WSC carries out the work safety management under the supervision of the Board of Directors and the Sustainable Development Committee.



Strategy

The Company prioritizes work safety management as a fundamental operational imperative. The Company has implemented a comprehensive identification system that proactively detects potential work safety risks and hazards. This systematic approach includes the development of a detailed risk and hazard inventory, complemented by scientific-ly-driven work safety management protocols. These measures collectively ensure the protection of the employees and the uninterrupted continuity of production operations.

Work Safety Management System of Linglong Tire

Category	Name
Safety education and labeling management system	<i>Regular Safety Meeting System, Safety Education and Training System, etc.</i>
Safety Prevention and inspection management system	<i>Safety and Health Labeling and Warning System, Hazard Safety Management System, Equipment Safety Management System, Electrical Fire Prevention Management System, etc.</i>
Accident and work-related injury management system	<i>Work-related Injury and Insurance Management System, Accident Reporting Procedures, Investigation and Handling System, etc.</i>
Other safety management systems	<i>Work Safety File Management System, Traffic Safety Management System of the Plant, "Three Simultaneous Management" Regulations for Construction Projects, etc.</i>
Safety assessment system	<i>Safety Responsibility Assessment System and Assessment Methods</i>

Main Risks Pertaining to Work Safety Identified by Linglong Tire and Response Strategies

Types of risks and hazards	Impact period	Financial impact	Management strategy
Risks of injury to personnel and equipment	Object strikes, vehicle injuries, mechanical injuries, lifting injuries, electric shock, fire, fall from height, etc.	Short, medium, and long term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income <ul style="list-style-type: none"> The WSC holds regular meetings to analyze safety-related issues. The Company implements tiered risk control, and carries out regular hidden danger investigation. The Company regularly hires third-party experts to diagnose the Company's safety status and rectifies the identified issues in a timely manner.
Occupational disease risks	Dust, noise, harmful gas, high temperature, etc.	Medium and long term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income <ul style="list-style-type: none"> The Company organizes annual testing of occupational hazards at each production site, and improves sites, equipment and facilities where occupational hazards are present. The Company provides relevant employees with labor protection appliances. The Company regularly conducts health checkups for each employee exposed to occupational disease risks, and established the <i>Occupational Health Monitoring File</i>.



Impacts, Risks, and Opportunities Management

The Company has established a comprehensive suite of safety management protocols, including the *Hazard Identification, Risk Assessment, and Control Procedures*. Utilizing advanced methodologies such as the LEC evaluation system, FMEA, and safety inspection checklists, the Company systematically identifies potential safety hazards across all production processes. This approach enables both qualitative and quantitative risk analysis, resulting in the development of the *Hazard Identification and Risk Assessment Form* and the *Unacceptable Risk List*.

In 2024, the Company focused its work safety management efforts on several key areas, including hidden danger investigation, intrinsic safety of equipment, emergency drills, occupational health management, and health and safety culture development.



Indicators and Targets

The Company has established work safety management indicators and targets, to continuously monitor the implementation of safety measures, and enhance its safety management framework. In accordance with the requirements of the regulatory authorities in the locations of each factory, the Company has purchased workplace safety liability insurance for all employees of the Guangxi Linglong and Dezhou Linglong. The total investment of safety production liability insurance in 2024 is 246,600 RMB. By the conclusion of 2024, all of the Company's manufacturing bases have achieved ISO 45001 Occupational Health and Safety Management System certification. Throughout 2024, the Company had no major safety accidents reported.

Work Safety Management Measures of Linglong Tire in 2024

Hidden danger investigation	<ul style="list-style-type: none"> A tiered risk control system was implemented, featuring regular hidden danger investigation, rectification and elimination to support work safety. In 2024, each subsidiary recorded the number of hidden danger investigations of more than 13,000, with the rectification rate of 100%.
Intrinsic safety of equipment	<ul style="list-style-type: none"> Leveraging the PDCA cycle methodology, the Company systematically conducted regular risk identification and detailed improvements for existing equipment and facilities. The Company phased out outdated and unsafe equipment and adopted process facilities with advanced design and comprehensive safety features, thereby ensuring the safety of both personnel and machinery throughout the production process.
Emergency drills	<ul style="list-style-type: none"> Each manufacturing base of the Company developed an Emergency Response Plan for Production Safety Accidents, and systematically planned and conducted emergency drills, encompassing comprehensive emergency drills, specialized emergency drills, and on-site response protocols. In 2024, the Company conducted a total of 28 fire emergency drills and organized 16 diverse on-site emergency response drills across various locations.
Occupational health management	<ul style="list-style-type: none"> The Company conducted detection, notification, prevention, and pre-control of occupational hazards at the workplace. The Company organized occupational health checkups for employees exposed to occupational hazards. Each unit implemented unified health monitoring file management, with designated personnel responsible for overseeing the process.
Health and safety culture development	<ul style="list-style-type: none"> The Company developed comprehensive health and safety training programs, encompassing accident case studies, safety laws and regulations, fire safety, special operations, occupational health, identification of job hazards, and operational procedures. These programs were designed to elevate employees' professional literacies in occupational health and safety across all dimensions.



Fire Emergency Drills



[Case] Organized health literacy knowledge contest

In November 2024, the Company hosted a health literacy knowledge contest, which aimed to cite superior units and health champions by assessing their knowledge of occupational health policies and practices. This initiative served to enhance employees' professional competence and literacy in occupational health.



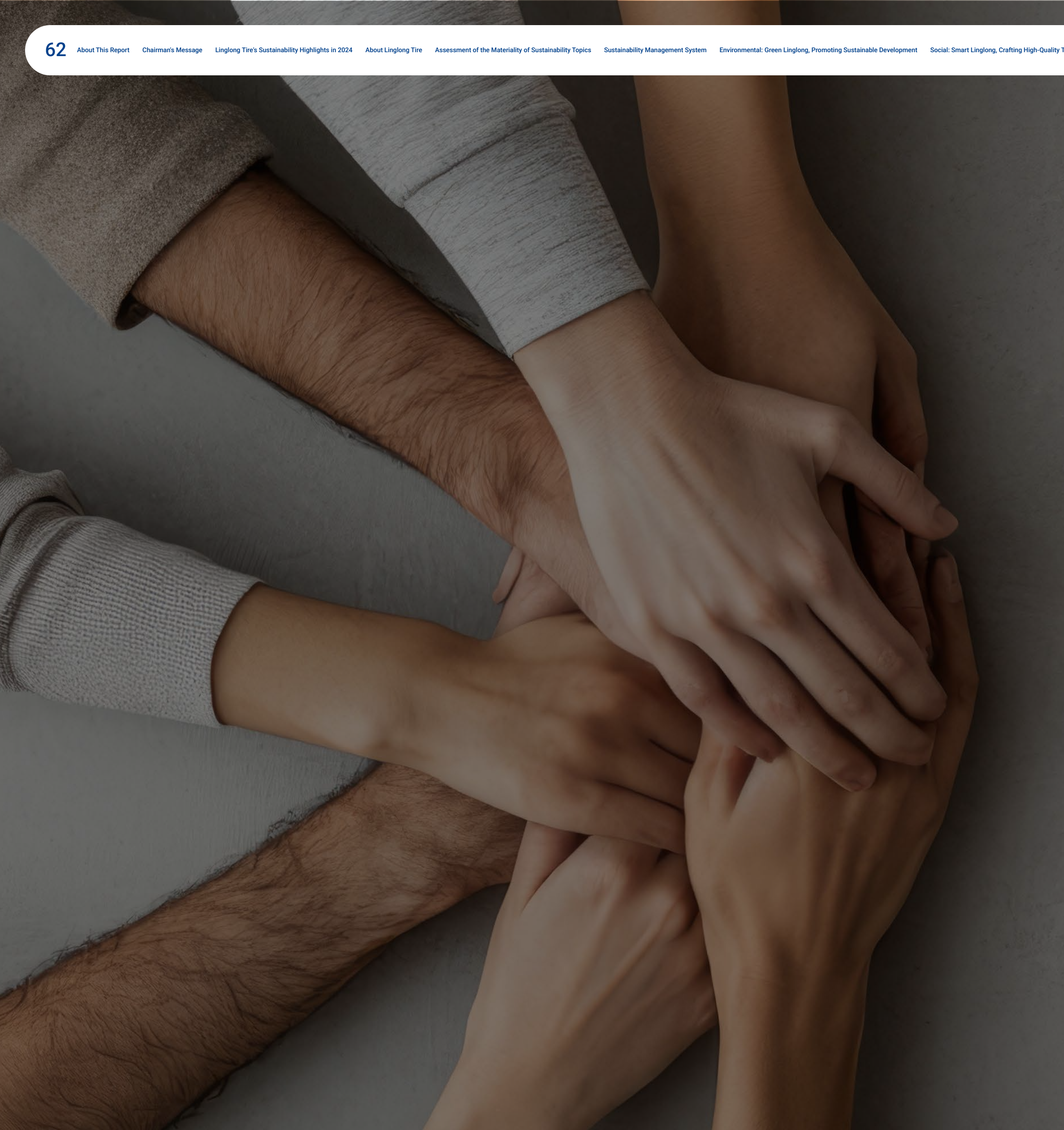
Knowledge Contest Scene

Work Safety Management Targets and Progress in 2024 of Linglong Tire

Indicator	Target	Progress
Number of safety accidents	No fatal accidents in the whole year	Achieved
Coverage rate of occupational disease physical examination for employees at hazardous position ^①	100%	Achieved
Number of employees diagnosed with occupational diseases ^②	0	Achieved
Rate of severe accidents	≤0.37 (in millions of hours)	Achieved
Recordable work-related injury rate per million working hours	≤1.3 (in millions of hours)	Achieved
Rectification rate of hidden dangers	100%	Achieved
Rate of special operations personnel with certificate for work	100%	Achieved
ISO 45001 certification passing rate of manufacturing bases	100%	Achieved

Note^① "Hazardous position" refers to the position of exposure to occupational hazardous factors.

Note^② Occupational diseases included in the statistics here cover the occupational diseases specified in the *List of Occupational Diseases* of the International Labor Organization, the *Classification and Catalog of Occupational Diseases* of the National Health and Family Planning Commission, as well as the Serbian government's *Rulebook on the Determination of Occupational Diseases* (applicable to LLIE), and the Thai government's decree: the *Regulations on Standards for Health Examination of Employees Engaged in Risk Factor-Related Work*, and the *Regulations on the Health Records of Employees Engaged in Risk Factor-Related Work and Procedures for Handling Abnormal Health Examination Results or Work-Related Illnesses, as well as Preventive Measures* (applicable to LLIT) and occupational diseases listed in the relevant announcements of the Department of Labor Protection and Welfare of Thailand.



Employees

	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 
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Employees

Linglong Tire adopts a diverse range of employment types, including direct labor, re-employment after retirement, etc. The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations as well as the management regulations of the locations where it operates, to ensure the legal compliance of employment, to safeguard the rights and interests of the employees, and to foster a harmonious and stable labor relationship.



Governance


The Company has established a Human Rights and Labor Committee, overseen by the Board of Directors and the Sustainable Development Committee, and spearheaded by the Human Resources Department. This committee is responsible for the day-to-day management of various critical areas, including human rights, employee recruitment, protection of labor rights and interests, compensation and benefits, as well as occupational health and safety.



Strategy

With the core philosophy of people-oriented and harmonious development, the Company is committed to creating an equal, diversified and inclusive workplace, improving the compensation and benefit system, protecting the rights and interests of employees, and providing employees with a wide range of growth and development opportunities. The Company identifies risks and opportunities pertaining to its workforce, developing comprehensive management strategies and implementing appropriate measures to proactively address these issues.

Linglong Tire Employee Management Systems

Sector	Name
 Workplace diversity and inclusion	<i>Recruitment Management Regulations, Employment Management Regulations, Internal Recruitment Management Regulations, Working Procedures for Rescuing Child Labor and Protecting Minors, Working Procedures for Prohibiting Forced Labor, Management Measures for Employee Retention and Elimination, Anti-discrimination Management Procedure, etc.</i>
 Employee rights and benefits	<i>Regulations on Attendance and Vacation Management, Wage Implementation Plan for Employees of Tire Company's Branch Plants, Emergency Relief Measures for Employees in Difficulties, Procedures for Freedom of Association and Collective Bargaining, etc.</i>
 Employee training and development	<i>Training Operation and Management Procedures, Title Promotion Management System, Cadre and Manager Training and Skill Level Evaluation Program, etc.</i>

Risks and Opportunities Pertaining to the Workforce Identified by Linglong Tire and Response Strategies

Risk/opportunity category	Impact period	Financial impact	Response strategies
Opportunities of human capital	Medium and long term	Increase in operating income	<ul style="list-style-type: none"> Establish the dynamic management mechanism of "those who are capable are promoted and those who are mediocre are dismissed". Establish a reserve echelon training management system to ensure the Company's talent reserve. Optimize the training management system and formulate special training programs for capacity improvement.
Risk of workplace diversification	Medium and long term	Decline in operating income	<ul style="list-style-type: none"> Carry out diversified recruitment and actively select candidates with different backgrounds and experiences. Strengthen cross-cultural communication and training, and promote teamwork and communication efficiency by providing language training and other means. Bolster inclusive culture and promote communication and integration between cultures.
Employee turnover risk	Short, medium, and long term	Increase in operating costs	<ul style="list-style-type: none"> Conduct employee stability analysis and establish a turnover model.
Labor risk	Short, medium, and long term	Increase in compliance costs	<ul style="list-style-type: none"> Establish a Human Rights and Labor Committee to manage human rights and labor rights protection. Regularly organize cadres and employees to participate in SA8000 social responsibility training.
Internationalization adaptation risk	Long-term	Decline in operating income	<ul style="list-style-type: none"> Accelerate the cultivation of internationalized talents and increase the channels for the introduction of overseas talents. Enhance the integration of headquarters and overseas bases, set up foreign language training and incentive mechanisms to improve the foreign language communication ability and internationalization adaptability of domestic employees.



Impacts, Risks, and Opportunities Management

The Company identifies potential risks associated with workforce management by conducting employee stability and satisfaction surveys encompassing five critical dimensions, including external environmental factors, organizational structural elements, job-related aspects, psychological considerations, and individual personal factors. To address the identified risks and prioritize employee concerns, the Company has implemented a risk management framework focusing on three strategic pillars, which are fostering workplace diversity and inclusion, safeguarding employee rights and enhancing welfare, and developing robust training and career advancement initiatives.

Workplace Diversity and Inclusion

Employee Recruitment and Retention

The Company has formulated the *Recruitment Management Regulations* and other internal management systems to continuously boost and standardize the recruitment process. The Company has formulated the *Working Procedures for Rescuing Child Labor and Protecting Minors* and *Procedures for Prohibiting Forced Labor* to eliminate the use of child labor and forced labor. In 2024, there were no incidents of forced or child labor in the Company.

Guided by the comprehensive production and operational strategy, the Company mandates all manufacturing bases to develop diversified talent acquisition plans in compliance with local regulatory requirements, while formulating differentiated recruitment execution strategies tailored to regional talent market dynamics.

The Company proactively identifies and attracts top-tier talent through a multi-channel recruitment approach, including internal mobility programs, digital recruitment platforms, executive search services for mid-to-senior level positions, employee referral initiatives, campus recruitment drives, and university-industry collaboration programs. In 2024, the Company recruited a total of 4,535 people.

Diversity and Inclusion

The Company steadfastly upholds the principles of fairness, equity, and transparency in all its operations, demonstrating an unwavering commitment to fostering an inclusive and non-discriminatory workplace environment. In alignment with this commitment, the Company has established the *Anti-discrimination Management Procedure*, which guarantees equal access to professional development opportunities for all employees, strictly prohibiting any form of differential treatment based on race, religious beliefs, age, disability status, gender identity, marital status, pregnancy, or organizational affiliations. In 2024, the Company had no employee discrimination incidents. Linglong Tire's anti-discrimination working procedures can be found in *Linglong Tire 2023 Sustainability Report*.

The Company is dedicated to forging a cohesive Linglong Tire community. Each manufacturing base tailors a wide array of cultural activities to the distinct cultural contexts of different countries and regions. These activities encompass diverse cultural and sports events, as well as initiatives that honor national and religious traditions. By doing so, the Company unites Linglong employees from across the globe, thereby strengthening their sense of belonging and identification with the Company.

The Company demonstrates a strong commitment to safeguarding the rights and welfare of its female workforce through comprehensive initiatives. These initiatives include enhancing occupational health and safety standards specifically tailored for female employees, implementing regular gynecological health screening programs, and conducting specialized seminars on women's health. When female employees are in special stages, like pregnancy and breastfeeding, the Company adheres to the philosophy of humanistic care. The Company provides special care and support through measures including flexibly adjusting working hours, reasonably arranging work tasks, and temporarily reassigning job positions when necessary. These efforts are aimed at safeguarding the physical and mental well-being of female employees.



[Case] Organized specialized campus recruitment fairs

The Company proactively engages with career service centers of both provincial and national universities, including but not limited to Shandong University, Harbin Institute of Technology, Shandong University of Technology, Shandong University of Science and Technology, and Beijing University of Chemical Technology. These collaborations are established either through direct institutional partnerships or via university career portals to conduct specialized campus recruitment fairs. Throughout 2024, the Company successfully organized over 10 specialized recruitment fairs.



Campus specific job fair

The Company maintains a strategic focus on workforce retention, having implemented the *Management Measures for Employee Retention and Elimination*. The Company employs a three-phase management approach (pre-service, in-service, and post-service) to cultivate an optimal work environment, thereby significantly furthering employee retention.



[Case] Held the International Football Exchange Match

The first Linglong Cup International Football Exchange Match, themed "Global Linkage · Hand in Hand", was successfully held in Zhaoyuan, Shandong Province. Employees from three countries—China, Thailand, and Serbia—participated in this event. This event enhanced communication and interaction among employees from different countries and fostered mutual understanding and trust.



Players from China, Thailand and Serbia



Giving Love to Female Employees on March 8 Women's Day



Free Medical Checkups




Lectures and Free Medical Consultations on the Topic of "Caring for Women's Health"

Employees' Rights and Benefits

Employees' Rights

The Company attaches great importance to the protection of employees' rights and benefits, and has formulated the *Regulations on Attendance and Vacation Management*, and *Wage Implementation Plan for Employees of Tire Company's Branch Plants*, to continuously better the employee rights and benefits protection system.

Employees' Rights and Benefits Protection System of Linglong Tire

 <p>Vacation</p>	<ul style="list-style-type: none"> • Vacation: The Company provides marriage leave, maternity leave, family planning leave, compassionate leave, family reunion leave, and all statutory holidays.
 <p>Remuneration and statutory rights and benefits</p>	<ul style="list-style-type: none"> • Remuneration: The Company has established the <i>Wage Implementation Plan for Employees of Tire Company's Branch Plants</i>, which outlines a comprehensive remuneration structure comprising position-based pay, skill-based pay, performance incentives, overtime remuneration, and additional allowances. The Company ensures the timely disbursement of salaries to all employees on a monthly basis. • Statutory rights and interests: In strict compliance with the applicable laws, regulations, and ordinances of the Company's operational locations, the Company ensures the full and timely payment of social insurance contributions. For employees under labor contracts, the rate of social insurance contribution is 100%.
 <p>Non-statutory welfare</p>	<ul style="list-style-type: none"> • The Company provides holiday benefits for all employees such as the Spring Festival and Mid-Autumn Festival, birthday and induction commemorative benefits. • The Company provides meal allowance, heatstroke prevention and labor protection appliances. • The Company provides labor union benefits for members. • The Company provides employees with checkup services.

Care for Employees

The Company prioritizes the holistic well-being of its workforce, consistently implementing employee care initiatives and dedicating efforts to cultivate a healthy and supportive workplace environment. The Company regularly conducts health education seminars and organizes internal recreational programs to promote work-life balance, safeguard employees' physical and mental health, and enhance employee satisfaction.

The Company has established a comprehensive support system for employees facing hardships, including the formulation of the *Emergency Relief Measures for Employees in Difficulties* and the implementation of a targeted relief mechanism. This system ensures prompt, precise, and effective assistance to employees encountering life challenges, critical illnesses, or unforeseen emergencies. In 2024, the Company's manufacturing bases carried out the work of helping employees in difficulty, focusing on helping 9 people with an amount of RMB 119,896.



Employee Communication

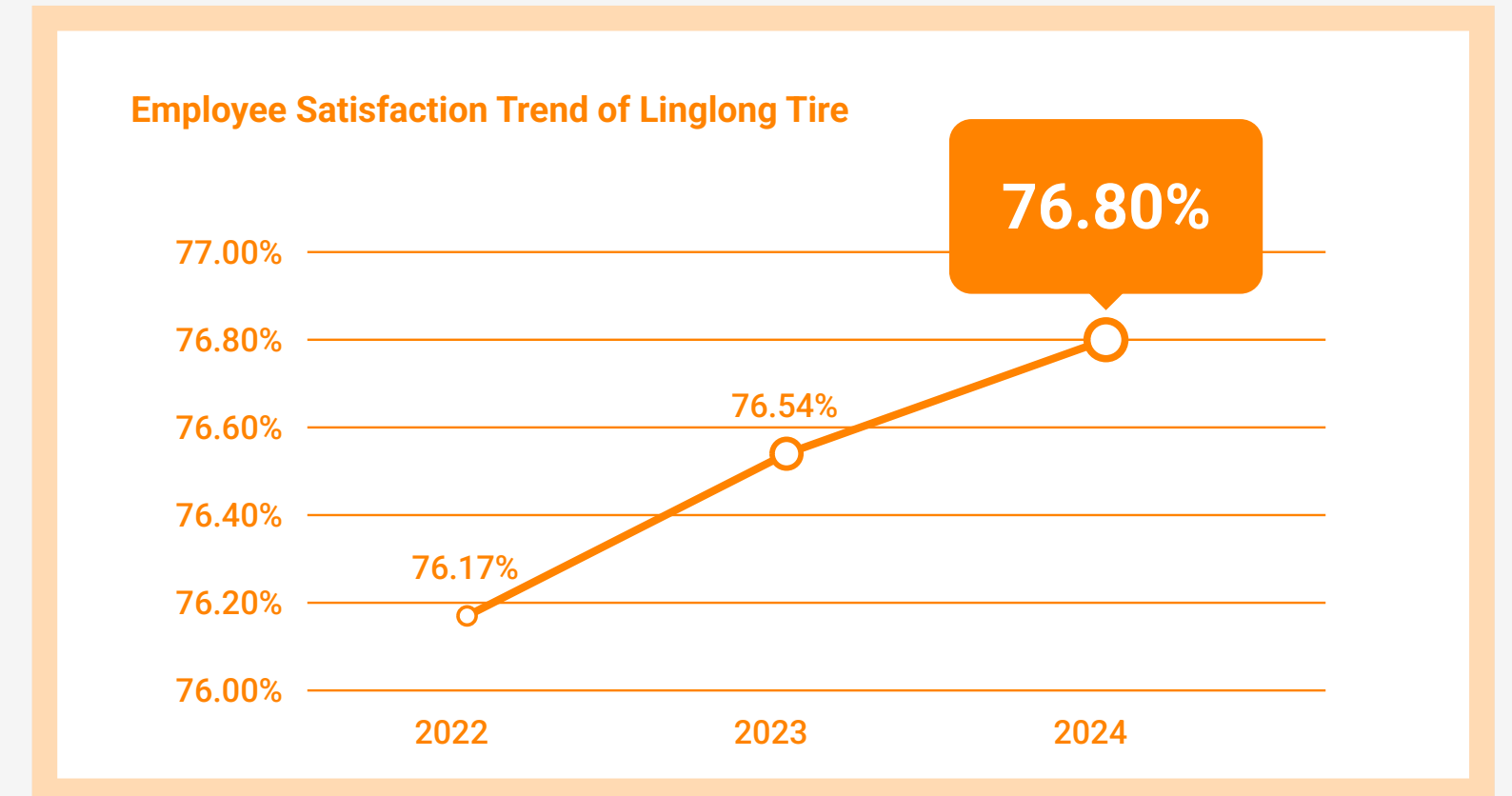
The Company upholds the fundamental right of employees to freedom of expression by maintaining open and transparent communication channels. In alignment with this commitment, the Company has implemented the Procedures for Freedom of Association and Collective Bargaining, established duly recognized labor unions, and executed the *Enterprise "1+3" Collective Labor Agreement* to safeguard employees' rights to organize, join labor unions, and engage in collective bargaining activities.

The Company regularly engages in employee interviews and actively solicits feedback through various channels. The senior executives team conducts in-depth visits to the front line and organizes employee symposiums to listen to employees' opinions and suggestions. Based on this input, the Company provides necessary support and assistance to address employee concerns. The Company has established open feedback channels for employees by formulating the *Management Procedures for Handling Employee Opinions, Suggestions, and Complaints* to ensure that all complaints are promptly acknowledged and addressed.



Employee Symposium

The Company conducts regular employee satisfaction surveys to assess workforce sentiment and identify potential risks. Based on the findings, the Company has developed and rigorously implemented targeted action plans. In 2024, the Company successfully collected 8,026 valid questionnaires, representing approximately 57% of its total workforce (excluding employees based in Europe and Thailand). Overall employee satisfaction stood at 76.80%.



Employee Training and Development

Employee Training

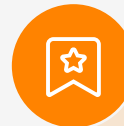
The Company continuously enhances its focus on talent development, recognizing that empowering employees, improving their capabilities, and unleashing their potential are key drivers of sustainable business growth. Linglong Tire has established a robust and systematic training mechanism, implementing a variety of measures to advance the creation of a standardized talent pool.

To this end, the Company has developed the *Training Operation and Management Procedures*. The Company organizes training activities through four core processes: training needs analysis, training plan development, training implementation, and training effectiveness evaluation. Tailored training programs are designed for employees in different positions.

Training Program for Different Types of Employees of Linglong Tire in 2024

Trainee	Training program
Cadres and managers	<i>Cadre and Manager Training and Skill Level Evaluation Program</i>
Reserve echelons	<i>Management Measures for Reserve Echelon</i>
Newly recruited engineering technology personnel and managers	<i>New Employee Training Competition Program</i> <i>Management Regulations on Cultivation of New Engineering Technicians/Managers</i>
Maintenance workers	<i>Management Measures for Training and Competency Evaluation of Maintenance Workers</i> <i>Skills Competition Scheme for Front-line and Maintenance Workers</i>
Front-line employees	<i>Management Procedure for Standardized Training of Front-line Employees</i> <i>Skills Competition Scheme for Front-line and Maintenance Workers</i> <i>Program for Selection of Excellent Job Training Materials and Excellent Instructors for Front-line Employees</i>
Quality inspector	<i>Work Instructions for Training on Employees of Finished Product Quality Department</i> <i>Work Instructions for Training on Rapid Inspection Post of Quality Management Department</i> <i>Work Instructions for Training on Laboratory Center of Quality Management Department</i>

In 2024, the Company implemented a comprehensive training program encompassing business operations, management competencies, and quality awareness initiatives, among others. To further enhance learning opportunities, the Company launched the Cloud Academy e-learning platform. Throughout the year 2024, the Company conducted a total of 4,940 training sessions, investing RMB 1.3 million in employee development and achieving a 100% training participation rate across its workforce.



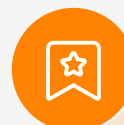
[Case] Organized a specialized training program focused on enhancing the nine core competencies of lean management

In 2024, to effectively advance the Company's lean management, a training program was launched for production and manufacturing cadres and managers. The program focused on comprehensively enhancing nine core competencies, including integrated planning, data analysis, improvement and innovation, and effective communication. The training encompassed a holistic curriculum covering panoramic lean management theory, value stream analysis, PMC, and other systematic lean management knowledge. By integrating the identification of issues and the initiation of improvement projects, the Company aimed to significantly elevate the nine competencies of the participants. A total of 120 individuals participated in this program.



Group Photo of Cadres and Managers

Scene of the Training Program Curriculum



[Case] Carried out the reserve echelon training program

In 2024, to enhance the comprehensive management capabilities of its reserve echelon, the Company designed a structured training program tailored for the high-potential candidates selected that year. By consolidating systematic training resources, the program focused on developing core management competencies, equipping participants with the necessary knowledge for future promotions and role requirements. A total of 313 employees participated in this program.



Training Scene

To elevate employees' professional expertise and overall competencies, the Company offers comprehensive support for academic advancement and professional certification to all full-time employees (i.e., those under labor contracts; the Company does not employ part-time staff).

Linglong Tire's Main Achievements in Supporting Employees to Upgrade Their Education Qualifications and Obtain Qualification Certifications in 2024



The Company established highly efficient partnerships with educational institutions to offer programs for upgrading academic qualifications from associate degrees to bachelor's degrees. Upon graduation, the Company reimbursed the tuition fees incurred by employees. In 2024, a total of **110** employees graduated from the programs for upgrading academic qualifications from associate degrees to bachelor's degrees, with the Company reimbursing a total of RMB 300,750 in tuition fees.



The Company invited external professional organizations to conduct training sessions on the Six Quality Tools. As a result, **40** participants obtained certification in the Six Quality Tools.



The Company collaborated with external professional institutions, to conduct internal auditor training for the National Military Standard, resulting in **9** employees obtaining internal auditor certification; to deliver SA8000 internal auditor training, with **60** employees successfully earning internal auditor certifications.



The Company supported employees in attending external professional training programs, fully funded by the Company, to acquire relevant certifications:

- 1** employee obtained IATF16949 certification;
- 2** employees achieved VDA6.3 Process Auditor certification;
- 1** employee received VDA6.5 Internal Auditor certification; and
- 1** employee attained PSCR certification.

Employee Performance Assessment and Development

The Company has established the *Title Promotion Management System* and the *Cadre and Manager Training and Skill Level Evaluation Program*, adopting a dual-track development model for management and engineering technology. This mode aims to provide employees with diverse and clear career progression pathways. The dual-track career progression pathway of Linglong Tire employees is detailed in *Linglong Tire 2023 Sustainability Report*.

The Company has established a comprehensive performance management framework centered on mutual growth and development between employees and the organization. This unified framework ensures transparent and equitable performance assessments, with results directly linked to bonus allocation and professional title advancement. The *Performance Management System* of the Company, supported by robust processes, systematic approaches, and digital platforms, undergoes continuous improvement through closed-loop optimization. This scientifically-grounded, fair and pragmatic approach fosters employee engagement, enhances workforce motivation, and maximizes organizational human capital potential.

Guided by principles of objectivity and fairness, the Company conducts multi-faceted performance assessments across several dimensions: job performance, professional competencies and personal qualities, learning agility and skill development, professional attitude, role-specific responsibilities fulfillment, and team collaboration. In 2024, the participation rate of employees subject to regular performance and career development appraisals reached 100% with a total of 222 employees promoted.



Indicators and Targets

The Company regularly monitors key indicators and targets related to employee management and has established a robust tracking mechanism to ensure that these indicators and targets are effectively implemented. In 2024, the Company did not experience significant labor disputes.

Employee Management Targets and Progress of Linglong Tire in 2024

Aspects	Indicator	Target	Progress
Workplace diversity and inclusion	Proportion of newly recruited female employees	>15%	16.08%
	Employee turnover rate	1.75%	1.41%
	Employee satisfaction	Improved over the previous year	Completed
Employee training and development	Employee training participation rate	100%	100%





Community Co-construction and Public Welfare Charity



Community Co-construction and Public Welfare Charity

Linglong Tire always prioritizes communication with local communities of the operating site, actively fulfills its social responsibilities and gives back to the community by creating jobs, public welfare donations, infrastructure support and voluntary services.

The Company adheres to the *Charity Law of the People's Republic of China*, the *Law of the People's Republic of China on Donations for Public Welfare*, and other pertinent laws and regulations, as well as the administrative regulations of the regions where it operates. Linglong Tire has formulated policies such as the *Management Measures for External Donations* and established a Social Responsibility Working Group tasked with the unified oversight of the Company's community engagement, philanthropic donations, and volunteer services. In 2024, the Company initiated or organized numerous public welfare and volunteer activities, with a cumulative investment of RMB 558,300.



[Case] Made donations to the "Jiefang Love Pilot Program: Caring for Truck Drivers"

On January 11, 2024, the donation and awarding ceremony for the public welfare partners of "Jiefang Love Pilot Program · Caring for Truck Drivers" was held. Linglong Tire, as a core supplier of FAW Jiefang, was among the first batch of 10 outstanding suppliers participating in the "Jiefang Love Pilot" public welfare program. The Company donated RMB 200,000 to the program. This initiative not only deepened the emotional bond between Linglong Tire and the truck driver community but also provided substantial support to the "Jiefang Love Pilot" program, bringing tangible care and assistance to truck drivers.



Scene of the Donation and Awarding Ceremony



The Company Was Honored as a Public Welfare Partner of "Jiefang Love Pilot Program - Caring for Truck Drivers"



[Case] Honored with the Truck Driver Public Welfare Award

On September 25, 2024, the launch ceremony of the "Warm Journey - Career Development and Protection Action for Truck Drivers and Taxi Drivers" for 2024 was held in Beijing. At the event, the list of the "Public Welfare Program of the Year" and "Outstanding Public Welfare Partner" of the 2023 Warm Journey Action was officially announced. Linglong Tire, with outstanding contributions in the field of public welfare and deep care for the community of truck drivers, was honored to receive both of these awards.



Awards Ceremony



[Case] Conducted the "Teens on the Wolf's Back" Youth Football Training Public Welfare Program

In August 2024, Linglong Tire, in partnership with VfL Wolfsburg, successfully hosted the 2024 "Teens on the Wolf's Back" Football Training Program on the Qingdao West Coast. This event attracted over 50 aspiring young participants from across China, nurturing promising talents for the future of Chinese football but also instilled in these young participants a spirit of bravery and positivity. It encouraged them to pursue their dreams with confidence and determination on the football field, contributing to their healthy development and growth.



"Teens on the Wolf's Back" Football Training Program Scene



[Case] Continuously dedicated its efforts to implementing the "Caring Truckers" program

In 2024, Linglong Tire further expanded its "Caring Truckers" program across its offline stores. The Company equipped these stores with essential amenities such as washing machines, microwave ovens, and a variety of food supplies. The Company aimed to offer complimentary laundry services and meal provisions to truckers during their journeys. The Company provided nearly RMB 200,000 of public welfare funds to truckers whose families faced financial difficulties due to serious illnesses, accidental deaths, or other catastrophic events.



Public Welfare Materials of Atlas Truckers Home

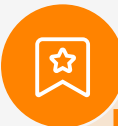


[Case] Organized the public welfare study program for children

In February 2024, Linglong Tire launched a public welfare program, the "Northeast Tour of Children" Winter Educational Tour Program. This innovative philanthropic endeavor was designed to provide children with transformative educational experiences through immersive learning opportunities in the unique winter landscape of Northeast China. During this program, children not only immersed themselves in the wonders of the snow and ice world but also enriched their understanding and appreciation of traditional Chinese culture and regional characteristics throughout the five-day educational tour. This experience has made a valuable contribution to the children's holistic development and growth.



Group Photo of "Northeast Tour of Children" Public Welfare Study Program



[Case] The manufacturing bases of Linglong Tire were committed to public welfare

During the 2024 Spring Festival, Dezhou Linglong conducted a corporate social engagement initiative at the Wucheng County Fire and Rescue Brigade. The Company's delegation extended festive greetings and conveyed profound respect to the frontline emergency responders. Through the presentation of care packages and practical support, the Company demonstrated its deep commitment to supporting firefighting heroes, thereby exemplifying corporate citizenship in fostering social harmony and advancing public welfare initiatives.



Dezhou Linglong extended festival greetings to the firefighter

LLIT actively participates in a wide range of public welfare activities through financial sponsorship, tire donation, and the provision of living materials. These activities are organized by various entities, including the Industrial Estate Authority of Thailand, district and town governments, village committees, and elementary schools. In 2024, LLIT participated in over 10 public welfare activities, investing approximately 150,000 baht. LLIT has consistently maintained close relationships with local governments and communities.



Donation to Flood-stricken Areas



Donation of School Supplies to Children's Day activities



Donation of Tires to the Government



Donation of School Supplies and Snacks to Elementary Schools



Participating in Local Tree Planting Activities



The Company has established the Linglong Public Welfare Development Fund in the Republic of Serbia, which is dedicated to supporting various public welfare initiatives undertaken by LLIE in the region. LLIE regularly organizes Family Open Days, inviting employees' family members to visit the plant. This initiative not only allows them to experience the corporate culture firsthand but also strengthens the emotional bonds between employees and their families. LLIE enriches the local community's understanding of Linglong, thereby bolstering the Company's social influence.



Conducting Family Open Day Activities for Employees



Sponsoring Zrenjanin Marathon



Donating Office Equipment to A Local Kindergarten



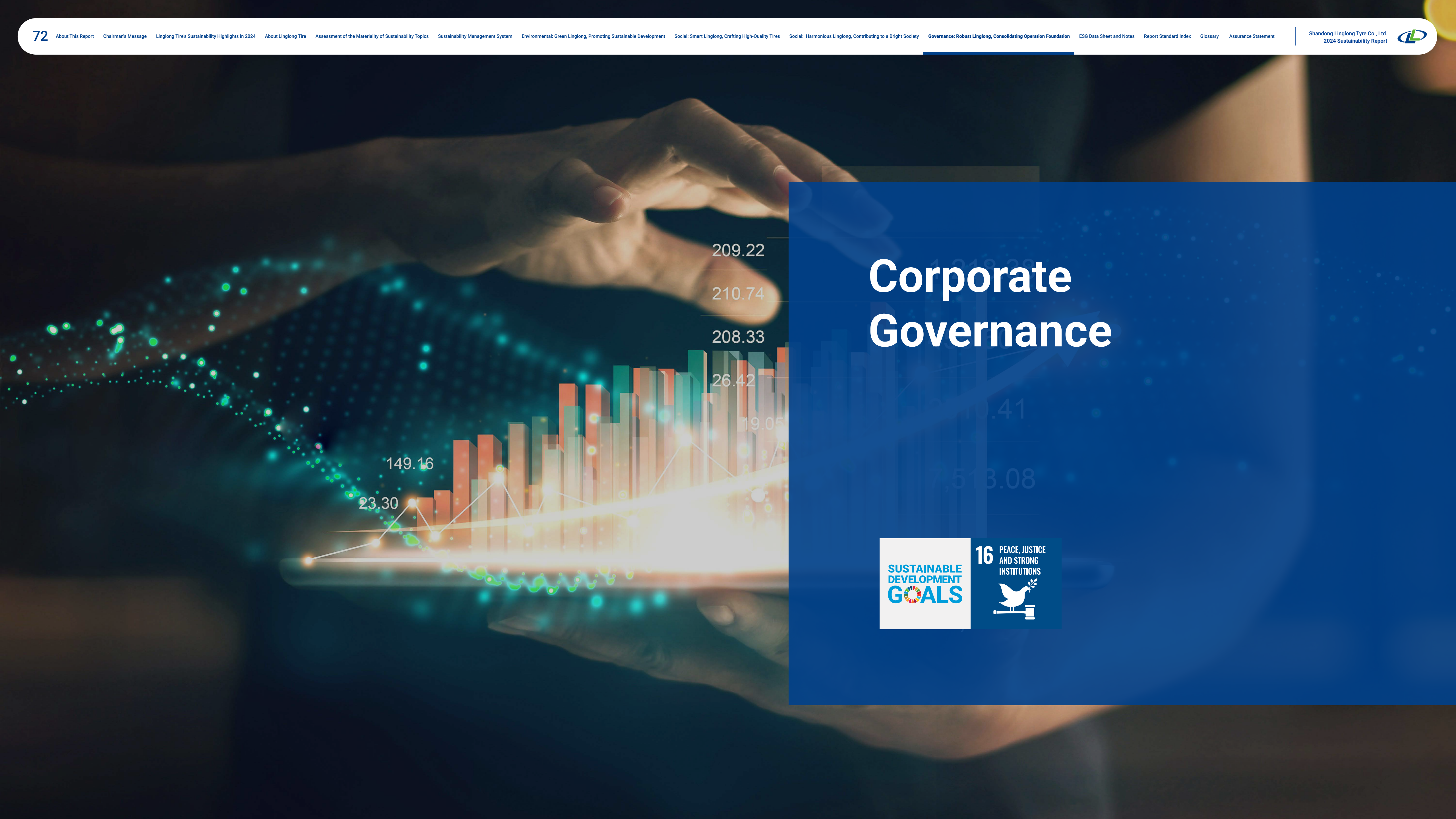
Governance

Robust Linglong, Consolidating Operation Foundation

Corporate Governance

Business Ethics

Compliant Operation



Corporate Governance



Corporate Governance



Governance

Linglong Tire strictly adheres to the *Company Law of the People's Republic of China* (hereinafter referred to as the *Company Law*), the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and other relevant laws, regulations and requirements. The Company continuously refines its corporate governance structure, building and optimizing the governance framework consisting of the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Senior Executives.^① This framework is designed to support the sustainable, standardized, and healthy development of the Company.

In 2024, the Company revised 11 systems, including the *Rules of Procedures of the Board of Directors* and the *Articles of Association*. The Company newly formulated the *Working System for Specialized Meetings of Independent Directors* and the *Market Value Management System*. These endeavors were designed to further the corporate governance system.



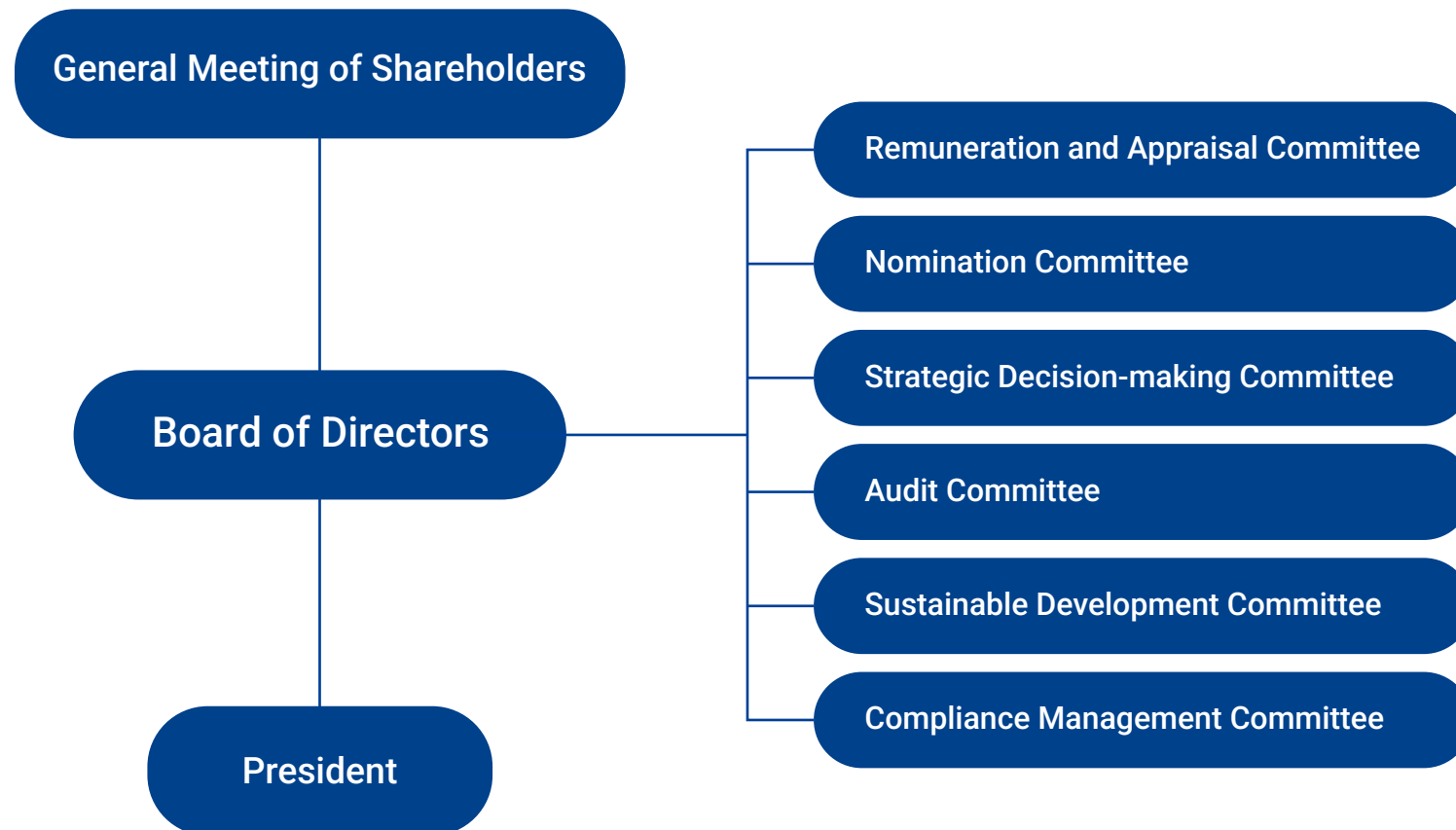
Strategy

According to relevant laws and regulations, the Company identifies, assesses, and manages risks associated with corporate governance, continually enhancing the standards of corporate governance and further formalizing the Company's operations.

Major Risks of Corporate Governance Identified by Linglong Tire and Response Strategies

Risk category	Period	Financial impact	Response strategies
Risks related to the independence, diversity and professionalism of the Board of Directors	Medium and long term	Increase in compliance costs	<ul style="list-style-type: none"> Pursuant to the <i>Company Law</i> and other pertinent laws, regulations and the <i>Articles of Association</i>, the Company endeavors to effectively guarantee the effectiveness, professionalism, diversity and independence of the Board of Directors.
Risks of damage to investors' rights and interests	Medium and long term	Decrease in operating income Increase in compliance costs	<ul style="list-style-type: none"> The Company enforces the principle of "truthfulness, completeness, accuracy, timeliness and fairness" in information disclosure, respects small and medium-sized investors, treats all shareholders equally, and continuously boosts the transparency of the Company's information and communication.
Risks of information disclosure violation			

Linglong Tire Corporate Governance Structure



Note^① In accordance with the *Company Law of the People's Republic of China* (2023 Revision) effective from July 1, 2024, and the *Guidelines for the Articles of Association of Listed Companies* (2025) effective from March 28, 2025, and other relevant laws and regulations, and considering the Company's actual situation, the Company will abolish the Board of Supervisors upon approval by the Annual General Meeting of Shareholders in 2024. The Audit Committee of the Board of Directors will exercise the functions and powers of the Board of Supervisors.



Impacts, Risks, and Opportunities Management

The Company rigorously adheres to all applicable laws, regulations, and exchange requirements to enhance its corporate governance framework, ensuring the proper functioning of the General Meeting of Shareholders, Board of Directors, and Board of Supervisors. In 2024, all convening procedures, deliberation processes, voting mechanisms, and resolution contents of the General Meeting of Shareholders, Board of Directors, and Board of Supervisors were conducted in full compliance with legal requirements and were deemed valid. The Board of Directors or senior executives have not exercised their authority in contravention of the *Company Law* or other pertinent regulations.

Governance Framework and Overall Operation of Linglong Tire in 2024

General Meeting of Shareholders	<ul style="list-style-type: none"> The General Meeting of Shareholders is the supreme authority of the Company, responsible for making decisions on the Company's business policies and investment plans in accordance with the law. In 2024, the Company held a total of 4 General Meetings of Shareholders and deliberated 24 proposals.
Board of Directors	<ul style="list-style-type: none"> The Board of Directors is responsible for the General Meeting of Shareholders. The term of each director is no more than three years. A director may serve consecutive terms upon expiration of his/her term, and the consecutive term of an independent director is no more than six years. In 2024, the Company held 8 meetings of the Board of Directors, deliberated 60 proposals, and held 12 meetings of the various special committees. The attendance rate of directors at these meetings is 100%. The Board of Directors comprises members with diverse professional backgrounds, including accounting, law, and the rubber industry, and extensive experience in managing large enterprises. This diversity enhances the operational efficiency of the Board of Directors and enables directors to make decisions based on multiple perspectives. Adjustments were made in 2024 to the membership of the committees under the Board of Directors. Currently, both the Remuneration and Appraisal Committee and the Audit Committee are comprised solely of independent directors. In 2024, the Company's Board of Directors consisted of 9 members, including 3 independent directors, accounting for 33.33% of the total, and 2 female directors, accounting for 22.22% of the total.
Board of Supervisors	<ul style="list-style-type: none"> The Board of Supervisors exercises the right of supervision to protect the rights and interests of shareholders and investors, the interests of the Company, and the legitimate rights and interests of employees from infringement, and is responsible for the General Meeting of Shareholders. In 2024, the Board of Supervisors consisted of 3 members, including 2 shareholder representatives and 1 employee representative. The Company held 7 meetings of the Board of Supervisors and deliberated upon a total of 29 proposals.
Management	<ul style="list-style-type: none"> The management performs their duties in accordance with laws and regulations and the Company's internal regulations, strictly implements the resolutions of the General Meeting of Shareholders and the Board of Directors, and promotes the sustainable and stable operation of the Company. The Company boasted 9 senior executives, including 1 female executive, accounting for 11% of the total.

The Company is committed to ensuring the diversity, independence, and professionalism of the Board of Directors. Linglong Tire regularly reviews and discloses information regarding members of the Board of Directors to ensure the effectiveness of implementation and to continuously boost corporate governance.

Director	Position	Gender	Age	Independence		Professional competence		
				Independent from management	Independent from other stakeholders	Industry experience	Financial management	Risk management
Wang Feng	Chairman Chairman of Strategic Decision-making Committee Chairman of Sustainable Development Committee Chairman of Compliance Management Committee	Male	53				√	
Wang Lin	Vice Chairman Member of Strategic Decision-making Committee	Male	50				√	
Liu Huirong	Independent director Member of Audit Committee Member of Remuneration and Appraisal Committee Chairman of Nomination Committee Member of Strategic Decision-making Committee	Female	62	√	√			√
Wen Decheng	Independent director Member of Audit Committee Chairman of Remuneration and Appraisal Committee Member of Nomination Committee	Male	59	√	√		√	
Pan Ailing	Independent director Chairman of Audit Committee Member of Remuneration and Appraisal Committee Member of Strategic Decision-making Committee	Female	60	√	√			√
Zhang Qi	Director Member of Nomination Committee	Male	52				√	√
Sun Songtao	Director Member of Strategic Decision-making Committee Member of Sustainable Development Committee Member of Compliance Management Committee	Male	46			√	√	
Feng Baochun	Director Member of Sustainable Development Committee	Male	56			√	√	
Li Wei	Director Member of Sustainable Development Committee Member of Compliance Management Committee	Male	53			√	√	√

The Company has formulated and continuously improves the remuneration system and plan for directors, supervisors, and senior executives. The remuneration plan for directors shall be submitted to the shareholders' meeting for deliberation and approval before implementation. The remuneration plan for senior management shall be submitted to the Board of Directors for deliberation and approval before implementation. Independent directors and supervisors adopt self-evaluation and mutual evaluation to evaluate their performance of duties.

The Company has formulated the *Management System for Related Party Transactions*, the *Management System for Preventing Controlling Shareholders and Related Parties from Occupying the Company's Funds* and other systems. The Company standardizes related party transactions and reduces unnecessary related party transactions, and ensures the fairness and impartiality of related party transaction decision-making to all shareholders. To ensure the compliance of the Company's related party transactions, the Company has implemented robust measures to guarantee that all such transactions fall within the purview of review and approval by the General Meeting of Shareholders, Board of Directors, and Board of Supervisors.

Information Disclosure Management

The Company strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other laws, regulations, rules and normative documents. Based on these, the Company has formulated the *Management System for Information Disclosure*, *Management System for Investor Relations*, *Accountability System of Major Errors in Annual Reports* and other systems, ensuring that the information disclosed by the Company is truthful, accurate and complete and all shareholders have equal access to the information.

The Company discloses information through the website of the Company, the website of the Shanghai Stock Exchange and the relevant statutory media designated by the China Securities Regulatory Commission by combining mandatory disclosure and voluntary disclosure. The Company seeks to continuously enhance the transparency of the Company's information disclosure.

In 2024, the Company disclosed a total of 93 periodic reports and temporary announcements and was not punished by regulatory authorities for information disclosure violations. There were no selective information disclosures or information disclosure violations within the year.

Executives' Compensation^①

(Unit: RMB 10,000)

Full name	Position	Fixed salary			Variable compensation		Total annual remuneration
		Basic salary	Post wage	Allowances and other remuneration	Sustainable performance	Annual bonus	
Wang Feng	Chairman President	24.00	48.00	8.47	31.36	120.00	231.83
Sun Songtao	Director Senior Executive Secretary of the Board of Directors	18.00	16.80	7.51	25.14	30.00	97.45
Lv Xiaoyan	Chief Financial Officer (CFO)	21.60	120.00		27.30	70.00	238.90
Feng Baochun	Director Senior Executive	18.00	12.00	7.51	22.13	45.00	104.64
Li Jianxing	Senior Executive	18.00	33.60	16.06	27.05	13.00	107.72
Li Wei	Director Senior Executive	18.00	9.60		19.12	20.00	66.72
Wei Sheng	Senior Executive	12.00	6.40	5.03	18.05	30.00	71.48
Guo Kuntao	Senior Executive	12.00	6.40	4.94	15.71	30.00	69.05
Xu Yongchao	Senior Executive	18.00	9.60	7.26	17.89	20.00	72.74

Note^① The calculations are based on the actual tenure and working time of the Company's executive.

Investor Relations Management

The Company has proactively implemented the "Enhancing Quality, Boosting Efficiency, and Prioritizing Returns" initiative for Shanghai-listed companies, adhering to the "investor-centric" development philosophy. In its commitment to delivering value to investors, the Company has established the *Investor Relations Management System*, the *Management System for Separate Counting of Votes for Minority Investors* and the *Market Value Management System*. These systems, developed in compliance with regulatory requirements and tailored to the specific operational context, provide a structured approach to investor relations management. They focus on three core dimensions, including value creation, value communication, and value preservation, systematically guiding investor relations activities to enhance the Company's capital market valuation.

The Company actively constructs open, fair, transparent, and multi-dimensional communication channels with investors. Linglong Tire engages with investors through various means, including the SSE Roadshow Center, the SSE E-Interactive platform, investor email, and dedicated investor hotlines. The Company also promptly relays investors' concerns and suggestions to the management, thereby establishing a regular and effective communication mechanism.



In 2024, the Company held 4 General Meetings of Shareholders, 3 performance briefings through online interaction and on-site communication, and responded to 226 investor inquiries through the E-Interaction platform. Outside the reporting window period, the Company received 97 investor surveys in total.



Investor communication meeting

The Company actively aligns itself with the laws of the capital market, formulates reasonable profit distribution policies, methods, and dividend plans, and makes positive returns to shareholders. In 2024, the Company increased the frequency of cash dividend payments to enhance investors' sense of gain. In 2024, the Company paid a cash dividend of RMB 2.86 (including tax) per 10 shares to all shareholders, amounting to a total of RMB 531 million (including tax).



Indicators and Targets

The Company has established management indicators and targets related to corporate governance, continuously monitored the progress of objective implementation, and improved the effectiveness of the Board of Directors and the quality of information disclosure. These measures have further strengthened the Company's corporate governance capabilities. For more detailed information on corporate governance, please refer to the "Corporate Governance" section in the *2024 Annual Report of Shandong Linglong Tyre Co., Ltd.*

Corporate Governance Targets and Progress of Linglong Tire in 2024


Indicator	Target	Progress
Attendance rate of members of Board of Directors	100%	100%
Evaluation grade of information disclosure	Grade A	Grade A

In 2024, the Company was awarded the highest rating - **Grade A** in the Shanghai Stock Exchange's Annual Information Disclosure Evaluation, marking a significant achievement as the sole enterprise in the Shanghai-listed tire sector to have maintained this prestigious rating for five consecutive years.

Business Ethics




Business Ethics



Governance




Linglong Tire rigorously adheres to pertinent laws and regulations including the *Law of the People's Republic of China Against Unfair Competition* and the *Interim Provisions on the Prohibition of Commercial Bribery*, while also referencing international standards such as the United Nations Convention Against Corruption. The Company has formulated relevant systems pertaining to business ethics, issued the *Business Ethics Management Policy Statement*, and established a top-down management structure for business ethics. Linglong Tire actively advances its business ethics management system, upholds the integrity of its workforce, and cultivates a healthy and positive corporate culture.



Strategy

The Company is dedicated to operating its business in strict compliance with all applicable laws, regulations, and the highest ethical standards, expressly prohibiting any activities that may compromise its integrity or tarnish its reputation. The Company has established a comprehensive framework to proactively identify, assess, and mitigate risks associated with business ethics. This includes implementing robust controls to effectively manage risks pertaining to commercial bribery, unfair competition, and money laundering.

Linglong Tire Business Ethics Governance Framework

 Supervision level	Board of Directors and subsidiary Sustainable Development Committee and Compliance Management Committee	Set business ethics management objectives, supervise work related to business ethics, and be responsible for the effectiveness of business ethics management.
 Management level	Governance and Economy Committee	Lead the establishment of business ethics system and supervise the implementation of business ethics objectives.
 Execution level	Legal Affairs Division	Improve the internal control process of business ethics, take the lead in organizing internal audits of business ethics, and conduct regular business ethics training for employees and management.

Linglong Tire Business Ethics Management System

Aspects	Name
Anti-commercial bribery and anti-corruption	<i>Anti-corruption and Anti-bribery Control Procedures, Integrity Management Control Procedures, etc.</i>
Anti-unfair competition	<i>Anti-unfair Competition Control Procedures, etc.</i>
Supervision and reporting	<i>Supervision and Reporting Management System, etc.</i>

Business Ethics Related Risks Identified by Linglong Tire and Response Strategies

Risk category	Impact period	Financial impact	Response strategies
Risk of commercial bribery	Short, medium, and long term		<ul style="list-style-type: none"> Continuously strengthen the review of anti-commercial bribery. Open up reporting channels and improve the whistleblower protection mechanism.
Unfair competition risk	Medium and long term	Decrease in operating income and increase in compliance costs	<ul style="list-style-type: none"> Identify 7 types of unfair competition manifestations, like market confusion and infringement of commercial secrets, and establish a closed-loop control mechanism of prevention beforehand, control during the process and remediation afterward.
Money laundering risk	Medium and long term		<ul style="list-style-type: none"> Incorporate anti-money laundering requirements into the compliance system and improve the investigation mechanism before establishing business relationships.



Impacts, Risks, and Opportunities Management

The Company has implemented a comprehensive business ethics management framework, which systematically identifies, assesses, and monitors risks associated with business ethics. This framework encompasses robust measures in key areas including anti-commercial bribery and anti-corruption, anti-unfair competition, and anti-money laundering. These efforts are designed to ensure full compliance with ethical standards across all operational processes.

Linglong Tire Business Ethics Management Process

Violation detection	The Company monitors risks related to business ethics through routine inspections, internal audits, and complaints and reports. Upon detection of any violations, a specialized working group, which has been carefully selected and professionally trained by the Company, is designated to handle the matter.
Investigation and evaluation of violations	Upon identification of any violations, the working group will initiate a comprehensive investigation process. This process entails conducting in-depth interviews with relevant personnel, collecting and analyzing evidentiary documents and data, and seeking external legal counsel when warranted. To ensure investigative efficiency, the working group will establish appropriate time-lines based on the complexity of each case. Following the conclusion of the investigation, the responsible department will compile a detailed investigative report and propose actionable recommendations.
Measures	Based on the investigation findings, the Company will implement appropriate disciplinary actions, ranging from formal warnings and temporary suspensions to pursuing criminal or civil remedies when warranted. Concurrently, the Company will enhance its management systems to mitigate the risk of similar incidents occurring in the future.

Linglong Tire Business Ethics Management Measures and Achievements in 2024

Aspects	Specific measures and effectiveness
Anti-commercial bribery and anti-corruption	<ul style="list-style-type: none"> The Company conducted a systematic anti-corruption risk assessment across all business departments. The Company identified a total of 16 key positions for anti-corruption risks across 12 categories, including procurement and bidding, finance, human resources, and management. The Company conducted quarterly special audits for high-risk positions such as bidding, procurement, sales, and fund transactions. Linglong Tire carried out semi-annual or annual special audits for medium- and low-risk positions, including asset management and equipment management. In 2024, the Company carried out 60 special audits with a total of 11 audits completed. The Company adopted a commitment system aimed at preventing commercial bribery, considering the adherence to the <i>Integrity and Self-Discipline Commitment Letter</i> by employees in critical roles as a pivotal aspect of the evaluation and assessment, as well as a crucial criterion for appointments and removals.
Clean culture promotion	<ul style="list-style-type: none"> The Company required employees in key links, areas, and positions to sign the <i>Integrity and Self-discipline Commitment Letter</i> and encouraged other employees to do so. In 2024, the rate of employees signed the <i>Integrity and Self-discipline Commitment Letter</i> was 100%. The Company required all customers, suppliers, and contractors that were doing business with the Company to sign the <i>Anti-bribery Agreement</i>. In 2024, the rate of the business partners who signed the <i>Anti-bribery Agreement</i> was 100%. The Company conducted regular business ethics training. In 2024, the participation rate of business ethics training for the Company's directors was 100%, and the participation rate of business ethics training for employees was 100%.

Aspects

Specific measures and effectiveness

Reporting channels and whistleblower protection	<ul style="list-style-type: none"> The Company conducted 12 clean practice examinations for key position holders, with 459 participants. The Company encouraged employees and cooperation enterprises to report and expose corruption through APP, mailbox, email, telephone, SMS and other reporting channels. In strict compliance with the <i>Report Management Policy Statement</i>, the Company mandated absolute confidentiality throughout all stages of the whistleblowing process, including case intake and investigation. The Company implemented robust whistleblowing management and whistleblower protection mechanisms, with a zero-tolerance policy towards any form of retaliatory actions against whistleblowers.
Anti-unfair competition	<ul style="list-style-type: none"> The Company developed a closed-loop management system for anti-unfair competition compliance risks, encompassing proactive prevention measures, real-time monitoring controls, and continuous improvement initiatives. The system was intended to ensure full implementation of compliance requirements and effective mitigation of regulatory risks. In 2024, there were no incidents related to unfair competition of the Company. The Company organized training on advertising law to prevent the risk of false publicity.
Anti-money laundering	<ul style="list-style-type: none"> Before establishing external business relationships, the Company conducted thorough investigations and assessments of potential trading partners, opting to establish ties solely with customers, intermediaries, and business partners who possess a strong reputation and conduct their business activities legally. The Company encouraged employees to fulfill their reporting obligations whenever they suspected money laundering activities on the part of customers, intermediaries, or business partners. The Company consistently integrated anti-money laundering requirements into its compliance framework, explicitly prohibiting employees from engaging in or assisting any individual in illegal money laundering activities.



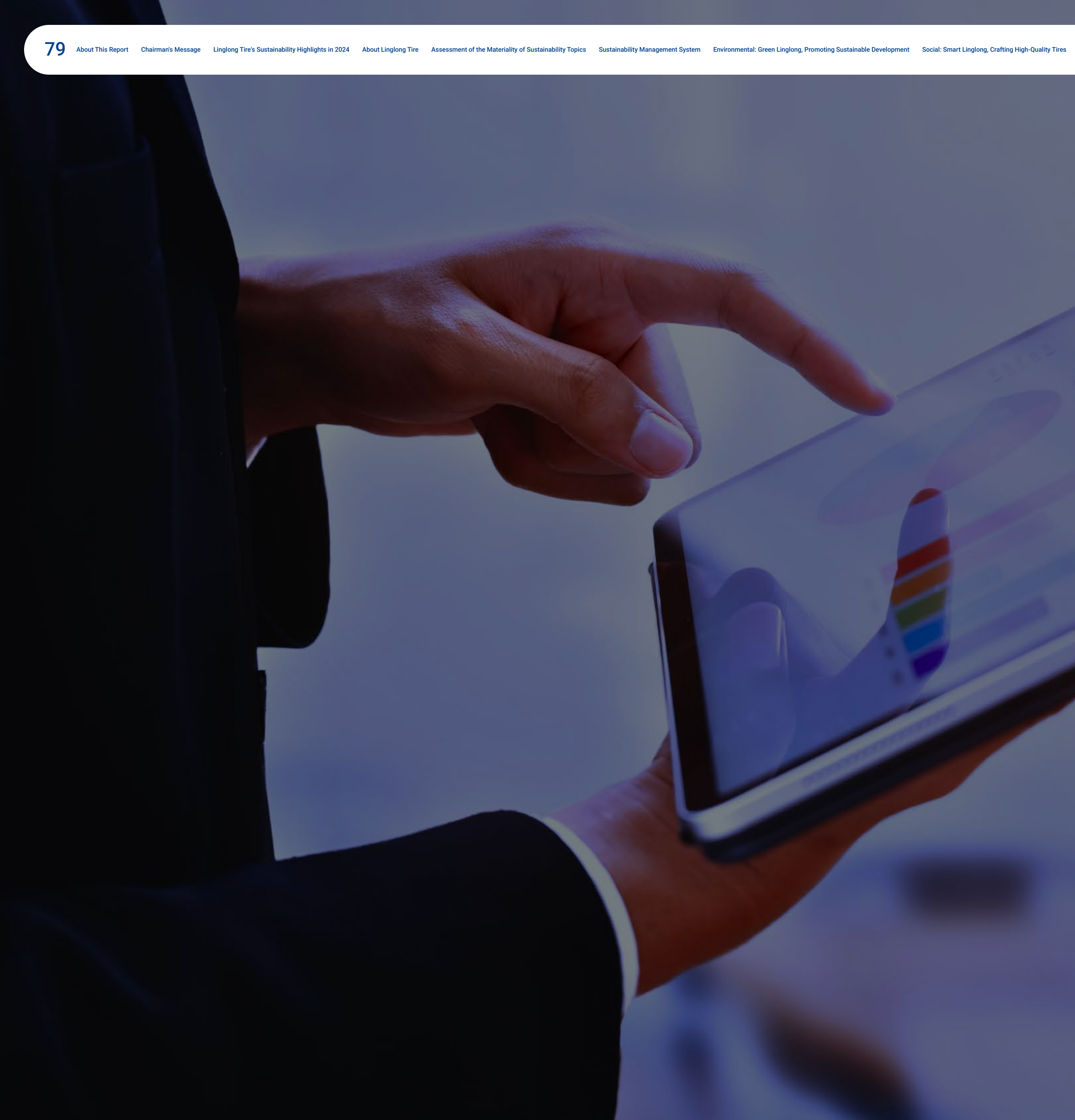
Indicators and Targets

The Company has established well-defined objectives for business ethics management, implementing a robust continuous monitoring framework that integrates ethical principles into daily operations. This framework aims to elevate the ethical standards of all employees and foster a corporate culture characterized by integrity, transparency, and ethical business practices.

In 2024, the Company maintained a clean compliance record, with zero confirmed incidents of corporate corruption, bribery, extortion, fraud, or money laundering activities.

Business Ethics Management Targets and Progress of Linglong Tire in 2024


Indicator	Target	Progress
Signing rate of the <i>Anti-bribery Agreement</i> with business partners	100%	100%
Coverage of directors' business ethics training	100%	100%
Participation rate of employees' business ethics training	100%	100%



Compliant Operation



Compliant Operation



Governance


By upholding the principle of honest and law-abiding operation, Linglong Tire strives to build a corporate compliance culture of "dare not violate, cannot violate, unwilling to violate". In accordance with the *Company Law of the People's Republic of China*, the *Evaluation Guideline for Enterprise Internal Control*, the *Audit Guideline for Enterprise Internal Control*, the *Code of Corporate Governance for Listed Companies*, and other laws, regulations, and standards, the Company has formulated the *Compliance Management Measures*, *Code of Conduct for Compliance*, and other system documents, and established a complete compliance internal control system. In 2024, the Company updated the *Trade Compliance Management Regulations* to continuously implement compliance management.

The Company has established a Compliance Management Committee under the authority of the Board of Directors, supported by the formally adopted *Working Rules of the Compliance Management Committee of the Board of Directors*. This committee provides strategic oversight and coordinates management of the Company's compliance affairs across four key pillars, including governance framework, policy system, operational system, and support systems. Through this comprehensive approach, the Company continues to enhance its compliance management mechanisms, clearly define compliance responsibilities, foster a culture of compliance, and ensure full adherence to legal and regulatory requirements in all business operations.



Strategy


The Company has implemented a proactive compliance risk identification process across all business operations. To this end, the Company has developed the *Compliance Management System Roadmap 2023-2025*, which establishes clear governance principles and prioritizes key compliance focus areas. The Company seeks to drive the comprehensive development and implementation of an enterprise-wide compliance management system.



Impacts, Risks, and Opportunities Management

The Company has established a robust compliance management framework, systematically identifying and monitoring risks pertaining to liability and reputation, and proactively implementing measures to address them.

In 2024, the Company enhanced the compliance management framework for risk identification across three critical dimensions, which are business classification, regulatory requirements, and potential compliance risks. The Company developed a detailed compliance risk inventory, performed thorough audits of operational compliance, and conducted root cause analysis for identified issues. Through coordinated remediation efforts and continuous process improvements, the Company aimed to optimize compliance management efficiency, establishing sustainable and standardized compliance practices across all business operations. The management measures for additional sustainability-related compliance risks are outlined in the "Impacts, Risks, and Opportunities Management" section of various issues in this report.



Indicators and Targets

With the overarching objective of achieving "zero violations", the Company has established a comprehensive set of compliance monitoring indicators and conducts regular reviews to ensure adherence. In 2024, the Company was not punished or warned by the regulatory authorities for violating laws and regulations related to the Company's operations, covering product quality, customer service, intellectual property protection, environmental protection, and employee employment.

Key Compliance Management Measures of Linglong Tire in 2024



The Company established a sound compliance risk prevention and control system and set out risk grading criteria. The Company analyzed and sorted out the degree of impact of possible risks and the degree of impact of their consequences.



The Company implemented phased risk management plans encompassing, short-term emerging risk management plans, medium-to-long-term structural risk management plans, and long-term risk culture promotion plans.



The Company established a compliance information column to regularly publish compliance policy interpretation, industry compliance case analysis and internal compliance requirements of the Company.



The Legal Affairs Division of the Company provided timely and accurate answers and guidance to compliance queries encountered by various departments in the course of business operations, to effectively prevent compliance risks.



The Company strengthened compliance training and organized the directors, supervisors, executives, staff of the Board Office and staff of other relevant departments to participate in training on laws and regulations of the securities market and professional knowledge, with a total of 12 compliance training sessions conducted in 2024.



[Case] Conducted trade compliance training

In October 2024, the Company conducted specialized training on trade compliance. Professional lawyers were invited to provide comprehensive and in-depth explanations to all cadres and managers of the Company's core departments, including sales and purchasing, as well as finance. The training aimed to enhance the compliance awareness and capabilities of the Company's management in the complex environment of international trade. A total of 549 people participated in this training, which included a comprehensive interpretation of the U.S. and EU sanction regimes, case analysis, and sharing of common questions and response strategies.



Scene of Trade Compliance Training

Compliant Operation Target and Progress of Linglong Tire in 2024

Indicator	Target	Progress
Participation rate of directors, supervisors and executives in compliance training	100%	100%

ESG Data Sheet and Notes

ESG Data Sheet and Notes

Economic Economic Performance

Indicator	Unit	2022	2023	2024
Net profit	RMB 10,000	29,178.58	139,060.71	175,203.54
Total taxes	RMB 10,000	21,013.13	60,787.60	74,509.96
Total number of shares issued by the Company	Share	1,476,731,513	1,473,522,713	1,463,502,683
Social contribution per share ^①	RMB	1.67	2.92	3.49

Note^① [Calculation method] In 2022 and 2023, Social contribution per share = (Net profit + taxes generated for the country during the year + salaries and benefits paid to employees + interests on borrowings paid to banks and other creditors + outbound donations and other value created for other stakeholders - other social costs caused by environmental pollution, etc.) / Total number of shares issued by the Company. In 2024, Social contribution per share = Basic earnings per share + (taxes generated for the country during the year + salaries and benefits paid to employees + interests on borrowings paid to banks and other creditors + outbound donations and other value created for other stakeholders - other social costs caused by environmental pollution, etc.) / Total number of shares issued by the Company.

Environmental Environmental Management System Performance

Indicator	Unit	2022	2023	2024
Annual environmental protection investment expenditure	RMB 10,000	4,805.53	4,913.78	8,490.42
Proportion of environmental protection investment to operating income ^①	%	0.28	0.24	0.38
Number of employees participating in environmental training	Person(s)	18,534	19,347	17,783
Environmental protection training hours per capita	Hour	1	1	1
Number of cases in which penalties are imposed due to violations of environmental protection laws and regulations	Case(s)	0	0	0
Amount of major administrative penalties imposed by ecological and environmental and other relevant authorities due to environmental incidents during the reporting period	RMB 10,000	---	---	0

Note^① [Calculation method] Proportion of environmental protection investment to operating income = Annual environmental protection investment expenditure / Operating income * 100.

Greenhouse Gas Emission Performance^①

Indicator	Unit	2022	2023	2024
Total emissions of greenhouse gas (GHG) (Scope 1 and Scope 2)	ktCO ₂ e	1,208	1,102	1,169
Scope 1 GHG emissions ^②	ktCO ₂ e	116	179	201
Scope 2 GHG emissions ^③	ktCO ₂ e	1,091	923	968
GHG emission per unit of revenue	tCO ₂ e/RMB 10,000	0.71	0.55	0.53

Note^① [Statistical caliber] The standard of data statistics in 2024 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai base, Jilin Base, and European Base, the standard of data statistics in 2023 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai base, and Jilin Base, and the standard of data statistics in 2022 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, and Thai base.

Note^② Scope 1 GHG emissions include direct GHG emissions from the Company's consumption of natural gas, gasoline for business vehicles, raw coal, and diesel fuel from mobile sources. The parameters of Scope 1 GHG emission factors are from the *Accounting Method and Reporting Guidelines of Corporate GHG Emissions Power Generation Facilities*, and the *China Energy Statistical Yearbook*.

Note^③ Scope 2 GHG emissions include indirect GHG emissions from purchased electricity and purchased steam (the Company calculates GHG emissions from purchased electricity according to a location-based approach). The calculation methods and coefficients for GHG emissions in the Chinese mainland in 2024 were derived from the *Announcement on the Release of CO₂ Emission Factors for Electricity in 2022* issued by the Ministry of Ecology and Environment of China and the National Bureau of Statistics in 2024, and the *Guidelines on Accounting Methods and Reporting for GHG Emissions of Enterprises in Industry and Other Sectors (Trial Implementation)* (2015) of the National Development and Reform Commission of China. For 2024, the GHG emission factor was 0.5366 t CO₂e/MWh for purchased electricity in the Chinese mainland and 0.11 t CO₂e/GJ for purchased steam in the Chinese mainland. The GHG emission factor was 0.42050 t CO₂e/MWh for purchased electricity in Thailand, and 0.24038 t CO₂e/GJ for purchased steam in Thailand. As the Republic of Serbia had not published the GHG emission factor for purchased electricity by the end of the reporting period, the factor for purchased electricity in Thailand was employed for estimation. For 2023, the GHG emission factor for purchased electricity in the Chinese mainland was 0.5703 t CO₂e/MWh, while the factor for purchased steam in the Chinese mainland remained at 0.11 t CO₂e/GJ. The GHG emission factor was 0.407 t CO₂e/MWh for purchased electricity in Thailand, and 0.11 t CO₂e/GJ for purchased steam in Thailand. For 2022, the GHG emission factor for purchased electricity in the Chinese mainland was 0.581 t CO₂e/MWh, while the factor for purchased steam in the Chinese mainland remained at 0.11 t CO₂e/GJ. The GHG emission factor was 1.246 t CO₂e/MWh for purchased electricity in Thailand, and 0.11 t CO₂e/GJ for purchased steam in Thailand.

Water Utilization Performance^①

Indicator	Unit	2022	2023	2024
Total water consumption (by source of water intake) ^②	m ³	1,402,346	2,040,948	2,685,300 ^③
Rainwater collected and stored directly by the enterprise	m ³	176,901	176,284	237,067
Municipal water supply	m ³	1,225,445	1,864,664	2,448,233 ^③
Water consumption density ^④	m ³ /RMB 10,000	0.73	1.01	1.22

Note^① [Statistical caliber] The data for 2024 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai Base, Jilin Base and European Base. The data for 2023 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai Base and Jilin Base. The data for 2022 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, and Thai Base.

Note^② Water consumption refers to the Company's water intake, including municipal water intake in production operations and rainwater directly collected and used at the Thai Base.

Note^③ [Calculation method] Water consumption density = Total water consumption / Operating income.

Note^④ In 2024, the data of the European base was added. Meanwhile, the capacity of the Jilin base increased. Therefore, the total water consumption and municipal water supply data in 2024 increased compared with 2023.

ESG Data Sheet and Notes

Energy Utilization Performance^①

Indicator	Unit	2022	2023	2024	
Comprehensive energy consumption ^②	Tons of standard coal	---	---	319,922.50	
Comprehensive energy consumption intensity ^③	Tons of standard coal/RMB 10,000	---	---	0.15	
Direct energy consumption ^④	Tons of standard coal	---	---	83,476.94	
Indirect energy consumption ^⑤	Tons of standard coal	---	---	236,445.56	
Clean energy consumption ^⑥	Tons of standard coal	---	---	11,276.49	
Direct energy	Raw coal consumption	Ton	---	37,097.44	
	Mobile source diesel fuel consumption	Ton	---	72.95	
	Natural gas consumption	m ³	---	42,708,426.68	
	Gasoline consumption	Liter	---	66,265.05	
Indirect energy	Purchased steam consumption	GJ	2,465,200.38	2,746,251.39	3,334,524.25
	Total electricity consumption	MWh	879,699.61	1,089,061.77	997,427.33
	PV power generation	MWh	30,745.78	62,552.50	91,687.70 ^⑦

Note ① [Statistical caliber] The data for 2024 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai Base, Jilin Base and European Base. The data for 2023 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai Base and Jilin Base. The data for 2022 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, and Thai Base.

Note ② [Calculation method] Comprehensive energy consumption = Direct energy consumption + Indirect energy consumption.

Note ③ [Calculation method] Comprehensive energy consumption density = Comprehensive energy consumption / Operating income.

Note ④ [Calculation method] Direct energy consumption = Raw coal consumption + Mobile source diesel fuel consumption + Natural gas consumption + Gasoline consumption.

Note ⑤ [Calculation method] Indirect energy consumption = Purchased steam consumption + Total electricity consumption.

Note ⑥ [Calculation method] Clean energy consumption = PV power generation.

Note ⑦ The PV power projects of the Hubei base and Jilin Base were completed in August and October 2023, so the data for 2024 increased compared with the photovoltaic power generation data for 2023.

Emission and Waste Management Performance^①

Indicator	Unit	2022	2023	2024	
Total industrial wastewater discharge ^②	m ³	218,847.80	455,065.00	480,564.00	
Density of industrial wastewater discharge ^③	m ³ /RMB 10,000	0.13	0.23	0.22	
Water pollutant discharge	Chemical oxygen demand (COD)	Ton	11.97	8.46	15.11
	Ammonia nitrogen (NH ₃ -N)	Ton	0.19	0.22	0.19
Total waste gas discharge	10,000 m ³	---	---	11,683,199.52	
Waste gas pollutant discharge	Volatile organic compounds (VOCs)	Ton	---	---	391.01
	Particulate matters (PM)	Ton	---	---	89.67
	Nitrogen oxides (NOx)	Ton	---	---	65.88
	Sulfur oxides (SOx)	Ton	---	---	10.22
	Total dust	Ton	---	---	14.51
Carbon monoxide (CO)	Ton	---	---	1.76	
Total discharge of non-hazardous wastes ^④	Ton	21,612.89	24,071.30	22,182.40	
Density of non-hazardous waste discharge ^⑤	kg/RMB 10,000	12.71	11.94	10.66	
Total discharge of hazardous wastes ^⑥	Ton	390.94	429.17	1,111.99	
Density of hazardous waste discharge ^⑦	kg/RMB 10,000	0.23	0.21	0.50	

Note ① [Statistical caliber] The data for 2023 and 2024 covered the Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, Thai Base, Jilin Base and European Base, while the data for 2022 covered Zhaoyuan Base, Dezhou Base, Hubei Base, Guangxi Base, and Thai Base.

Note ② The domestic wastewater of each manufacturing base of the Company cannot be counted, so only the Total industrial wastewater discharge is disclosed.

Note ③ [Calculation method] Density of industrial wastewater discharge = Total industrial wastewater discharge / Operating income.

Note ④ Non-hazardous waste mainly includes scrap steel cord, fiber cord, scrap steel wire, waste rubber edge and domestic garbage. [Calculation method] Density of non-hazardous waste discharge = Total discharge of non-hazardous wastes / Operating income.

Note ⑤ Hazardous waste mainly includes used engine oil, laboratory waste liquid, and chemical packaging. According to the requirements of the Thailand government in 2024, carbon black and carbon black packaging bags are included in the hazardous waste project, so the emission of hazardous waste increases. [Calculation method] Density of hazardous waste discharge = Total discharge of hazardous wastes / Operating income.

ESG Data Sheet and Notes

Circular Economy Performance

Indicator	Unit	2024
Amount of waste recycled ^①	Ton	4,322.57
Consumption of renewable resources	Ton	19,275.10
Recycled rubber ^②	Ton	6,899.10
Pyrolytic carbon black	Ton	12,180.00
Recycled framework material	Ton	196.00
Proportion of pyrolysis carbon black consumption to the total consumption of the corresponding carbon black ^③	%	5.26
Proportion of recycled framework material consumption to the total consumption of corresponding framework material ^④	%	3.80

Note^① According to the production and using standards of liquid reclaimed rubber, the Company processes and remanufactures self-produced solid waste to generate liquid reclaimed rubber and uses it as raw materials.

Note^② Reclaimed rubber includes liquid reclaimed rubber, environmentally friendly reclaimed rubber, and environmentally friendly butyl reclaimed rubber.

Note^③ Corresponding total carbon black consumption refers to the amount of all carbon black consumed by the Company's production in 2024.

Note^④ Corresponding total consumption of framework materials refers to the amount of framework materials of the same purpose and specifications consumed by the Company's production in 2024.

Social

Employment and Labor Routine Performance^①

Indicator	Unit	2022	2023	2024	
Total number of employees	Person(s)	18,534	19,347	17,783	
By gender	Number of female employees	Person(s)	4,612	4,741	4,555
	Number of male employees	Person(s)	13,922	14,606	13,228
By place of work	Number of employees working in the Chinese mainland	Person(s)	14,026	14,336	12,857
	Number of employees working in Hong Kong, Macao and Taiwan (China), and overseas	Person(s)	4,508	5,011	4,926
By form of employment	By form of employment Number of full-time employees subject to labor contracts	Person(s)	16,856	17,668	17,668
	Number of full-time employees subject to labor dispatching ^②	Person(s)	798	799	734
	Number of part-time employees	Person(s)	0	0	0
	Number of employees in other forms of employment ^③	Person(s)	880	880	115
By age group	Number of employees under 30	Person(s)	5,197	4,968	3,993
	Number of employees aged 30~50	Person(s)	12,144	12,942	12,165
	Number of employees aged over 50	Person(s)	1,193	1,437	1,625
Labor contract signing rate	%	100	100	100	
Number of major labor disputes	Case(s)	0	0	0	
Total number of cases punished for violations against laws and regulations related to child labor and forced labor	Case(s)	0	0	0	
Number of cases punished for violations against laws and regulations related to recruitment and dismissal of employees	Case(s)	0	0	0	
Number of cases punished for violations against laws and regulations related to working hours and vacations of employees	Case(s)	0	0	0	
Number of cases punished for violations against laws and regulations related to promotion and equal opportunities of employees	Case(s)	0	0	0	
Number of cases punished for violations against laws and regulations related to anti-discrimination and diversity of employees	Case(s)	0	0	0	

ESG Data Sheet and Notes

Indicator	Unit	2022	2023	2024
Employee turnover rate ^①	%	1.91	1.84	1.41
By gender	Turnover rate of female employees	1.81	1.73	1.14
	Turnover rate of male employees	1.86	1.79	1.51
Total expenditure on employee training	RMB 10,000	---	---	130.05
Times of employee training	Time(s)	---	---	4,940
Proportion of employees participating in training	%	100	100	100
Total training hours	Hour(s)	1,496,249.82	2,534,457.00	1,940,859.12
By form of employment	Total training hours for full-time labor contract employees	1,360,784.00	2,314,508.00	1,851,871.20
	Total training hours for full-time labor dispatching employees	63,840.00	104,669.00	76,934.20
	Total training hours for employees in other forms of employment	71,042.40	115,280.00	12,053.72
Average training hours of employees	Hour(s)	80.73	131.00	104.14
Participation rate of employees receiving regular performance and career development appraisals	%	100	100	100

Note ① [Statistical caliber] The statistical caliber of employee data for 2022 and 2023 includes full-time labor contract employees, labor dispatch employees and other forms of employment. In 2024, the statistical caliber of employee-related data is consistent with the company's annual financial report, excluding employees with labor dispatch system. The company continues to attach importance to the growth of labor dispatch employees, continuously carries out training for them, and also separately discloses the number of labor dispatch employees and the total length of training.

Note ② In 2022 and 2023, other forms of employment within the Company primarily consist of outsourced staff, re-employment after retirement, interns, etc. In 2024, other forms of employment within the Company primarily consist of re-employment after retirement, interns, etc.

Note ③ [Calculation method] Employee turnover rate = 12-month cumulative number of resigned employees / (12-month cumulative number of resigned employees + 12-month cumulative month-end number), with retirees, deaths, and other special circumstances deducted from the number of resigned employees.

Occupational Health and Safety Performance

Indicator	Unit	2022	2023	2024
Total investment in safe operation	RMB 10,000	3,964.97	4,009.97	5,755.86
Proportion of safe operation investment to operating income ^①	%	0.23	0.20	0.26
Amount invested in work-related injury insurance	RMB 10,000	---	---	594.82
Coverage rate of employees covered in work-related injury insurance	%	---	---	100
Amount invested in work safety liability insurance for employees	RMB 10,000	---	---	24.66
Occupational disease incidence rate of employees	%	---	---	0
Coverage rate of occupational disease physical examination for employees at hazardous position	%	100	100	100
Number of employees receiving occupational health and safety training	Person(s)	18,534	19,347	17,783
Total hours of occupational health and safety training	Hour(s)	144	168	168
Proportion of employees participating in occupational health and safety training ^②	%	100	100	100
Recordable work-related injury rate per million working hours ^③	Time(s) per million hours	1.60	1.52	1.21
Incidence of serious accidents ^④	Time(s) per million hours	0.39	0.36	0.33

Note ① [Calculation method] Proportion of safe operation input to operating income = Total safe operation input / Operating income * 100.

Note ② [Calculation method] Proportion of employees participating in occupational health and safety training = Number of employees receiving occupational health and safety training / Total number of employees * 100.

Note ③ [Calculation method] Recordable work-related injury rate per million working hours = number of work-related injuries accidents / Total working hours * 1000000.

Note ④ [Calculation method] Incidence of serious accidents = Number of serious accidents / Total working hours of employees * 1000000.

Product Quality Performance

Indicator	Unit	2022	2023	2024
Number of product quality training for all employees	Time(s)	2	4	4
Proportion of employees participating in product quality training	%	100	100	100
Amount of damages involved in major liability accidents related to safety and quality of products and services that occurred during the reporting period	RMB 10,000	---	---	0

ESG Data Sheet and Notes

Customer Service Performance

Indicator	Unit	2022	2023	2024
Customer satisfaction	Points	99.85	99.61	99.64
Total number of product/service-related complaints received ^①	No.	8	11	11
Number of complaints received by type of complaint	Product quality and safety related	No.	8	11
	Customer service related	No.	0	0
	Other issues	No.	0	0

Note^① [Calculation method] Total number of product/service-related complaints received = Product quality and safety-related complaints + Customer service-related complaints + Other complaints.

Supplier Management Performance

Indicator	Unit	2022	2023	2024
Number of product quality training for various raw material suppliers	Time(s)	3	3	2
Proportion of suppliers participating in product quality training ^①	%	15.52	12.00	20.50
Proportion of suppliers receiving business ethics training	%	100	100	100
Proportion of suppliers signing anti-corruption agreements	%	100	100	100
Number of key suppliers ^② with actual and potential significant negative environmental impacts ^③ identified by audit	No.	0	0	0
Number of key suppliers ^② with actual and potential significant negative social impacts ^③ identified by audit	No.	0	0	0
Proportion of suppliers receiving and passing environmental, labor, and ethical assessments among all suppliers ^④	%	100	100	100

Note^① [Calculation method] Proportion of suppliers participating in product quality training = Number of suppliers receiving product quality training / Number of all suppliers * 100.

Note^② The Company carries out negative environmental and social impact audits of suppliers based on severity of impact, scale of impact and likelihood of occurrence (divided into four grades: slight, moderate, significant and severe), and if the combined evaluation result of the three factors is significant or above, the Company is recognized as having a significant actual or potential negative impact on the environment or society.

Note^③ Key suppliers refer to suppliers of key raw materials (which are raw materials related to tire safety or laws and regulations).

Note^④ [Calculation method] Proportion of suppliers receiving and passing environmental, labor, and ethical assessments among all suppliers = Number of suppliers that have been evaluated and qualified in terms of the environment, labor, and ethics / Number of all suppliers * 100.

Data Security and Customer Privacy Protection Performance

Indicator	Unit	2022	2023	2024
Number of confirmed cases of leakage, theft or loss of customer information	Case(s)	0	0	0
Amount involved in data security incidents	RMB 10,000	--	--	0
Amount involved in customer privacy breach incidents	RMB 10,000	--	--	0

Innovation-driven Performance

Indicator	Unit	2022	2023	2024
R&D expenses	RMB 10,000	74,792.91	81,478.44	92,048.48
Proportion of R&D expenses to operating income ^①	%	4.40	4.04	4.17
Number of R&D personnel	Person(s)	--	--	2,240
Proportion of R&D personnel ^②	%	12.11	11.74	12.60
Number of active patents in the reporting period	No.	--	--	1,160
Number of patent applications in the reporting period	No.	--	--	154
Number of patent licenses in the reporting period	No.	--	--	221
Number of invention patents applied to the main business	No.	--	--	131

Note^① [Calculation method] Proportion of R&D expenses to operating income = R&D expenses/Operating income * 100.

Note^② [Calculation method] Proportion of R&D personnel = Number of R&D personnel / Total number of employees * 100.

Social Welfare and Volunteer Service Performance

Indicator	Unit	2022	2023	2024
Total community welfare investment	RMB 10,000	248.97	347.62	55.83
Number of employees participating in volunteer services	Person(s)	372	312	301
Total hours of volunteering services that employees participated in	Hour(s)	2,117	2,007	1,707

ESG Data Sheet and Notes

Governance

Corporate Governance Performance

Indicator	Unit	2022	2023	2024
Number of members in the Board of Directors	Person(s)	9	9	9
Number of male directors	Person(s)	7	7	7
Number of female directors	Person(s)	2	2	2
Proportion of female directors in the Board of Directors ^①	%	22.22	22.22	22.22
Number of executive directors	Person(s)	4	4	4
Number of non-executive directors	Person(s)	5	5	5
Number of independent non-executive directors	Person(s)	3	3	3
Proportion of independent non-executive directors in the Board of Directors ^②	%	33.33	33.33	33.33

Note^① [Calculation method] Proportion of female directors in the Board of Directors = Number of female directors / Number of members in the Board of Directors * 100.

Note^② [Calculation method] Proportion of independent non-executive directors in the Board of Directors = Number of independent non-executive directors / Number of members in the Board of Directors * 100.

Ethical Business and Compliance Performance

Indicator	Unit	2022	2023	2024
Number of participants in compliance training	Person(s)	3,400	3,910	4,428
Number of compliance training	Time(s)	3	10	12
Proportion of employees participating in compliance training ^③	%	18.34	20.21	24.90
Number of directors who received anti-commercial bribery and anti-corruption training	Person(s)	9	9	9
Proportion of directors participating in anti-commercial bribery and anti-corruption training ^④	%	100	100	100
Total anti-corruption training hours for directors	Hour(s)	18.00	18.00	18.00
Anti-corruption training hours for directors per capita ^⑤	Hour/person	2.00	2.00	2.00
Number of managers receiving anti-commercial bribery and anti-corruption training	Person(s)	---	---	645

Indicator	Unit	2022	2023	2024
Proportion of managers participating in anti-commercial bribery and anti-corruption training ^⑥	%	---	---	100
Number of employees receiving anti-commercial bribery and anti-corruption training	Person(s)	18,534	19,347	17,783
Proportion of employees participating in anti-commercial bribery and anti-corruption training ^⑦	%	100	100	100
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	Case(s)	0	0	0
Number of people signing the <i>Integrity and Self-discipline Commitment Letter</i>	Person(s)	18,534	19,347	17,783
Number of person participating in clean culture visits ^⑧	Person-time(s)	14,000	13,000	13,115
Number of cadres inspected ^⑨	Person-time(s)	1,300	1,300	1,300
Amount involved in litigation or major administrative penalties due to the Company's unfair competition behavior during the reporting period	RMB 10,000	---	---	0
Number of violations of laws and regulations in marketing (including advertising, promotion and sponsorship)	No.	0	0	0

Note^① [Calculation method] Proportion of employees participating in compliance training = number of employees participating in compliance training / Total number of employees * 100.

Note^② [Calculation method] Proportion of directors participating in anti-commercial bribery and anti-corruption training = Number of directors who received anti-commercial bribery and anti-corruption training / Number of members in the Board of Directors * 100.

Note^③ [Calculation method] Anti-corruption training hours for directors per capita = Total number of hours of anti-corruption training received by directors / Number of members in the Board of Directors.

Note^④ [Calculation method] Proportion of managers participating in anti-commercial bribery and anti-corruption training = Number of managers receiving anti-commercial bribery and anti-corruption training / Number of managers * 100.

Note^⑤ [Calculation method] Proportion of employees participating in anti-commercial bribery and anti-corruption training = Number of employees receiving anti-commercial bribery and anti-corruption training / Total number of employees * 100.

Note^⑥ The number of people participating in clean culture visits and the number of cadres inspected are estimate.



Report Standard Index

Report Standard Index

Index of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

Disclosure advice	Section
Climate change tackling	Climate Change Tackling ESG Data Sheet and Notes
Pollutant discharge	Emission and Waste Management ESG Data Sheet and Notes
Waste disposal	Emission and Waste Management ESG Data Sheet and Notes
Ecosystem and biodiversity conservation	Ecosystem and Biodiversity Conservation
Environmental compliance management	Environmental Management
Energy usage	Energy Management ESG Data Sheet and Notes
Usage of water resources	Water Resource Management ESG Data Sheet and Notes
Circular economy	Circular Economy ESG Data Sheet and Notes
Rural revitalization	The Company has not yet initiated any specialized work related to rural revitalization. However, the Company will increase investment in this area after further consideration.
Contributions of the social	Community Co-construction and Public Welfare Charity
Innovation-driven	Circular Economy Innovation-driven ESG Data Sheet and Notes
Ethics of science and technology	The Company is not engaged in scientific research and technological development in sensitive areas of science and technology ethics such as life sciences, and artificial intelligence, and the topic is not relevant to the Company.

Disclosure advice	Section
Supply chain security	Supply Chain Management
Equal treatment of small and medium-sized enterprises	The balance of accounts payable (including notes payable) at the end of the reporting period did not exceed RMB 30 billion, and accounted for not more than 50% of total assets, and none of the enterprises within the scope of the consolidated statements were required to disclose information on overdue payments to medium-sized enterprises in the National Enterprise Credit Information Publicity System.
Safety and quality of products and services	Safety and Quality of Products and Services ESG Data Sheet and Notes
Data security and customer privacy protection	Data Security and Customer Privacy Protection ESG Data Sheet and Notes
Employees	Work Safety Employees ESG Data Sheet and Notes
Due diligence	Due Diligence and Stakeholder Communication
Communication with stakeholders	Due Diligence and Stakeholder Communication
Anti-commercial bribery and anti-corruption	Business Ethics ESG Data Sheet and Notes
Anti-unfair competition	Business Ethics
Topics subject to self-disclosure	Intellectual property protection Innovation-driven
	Corporate governance Corporate Governance
	Compliant operation Compliant Operation

Report Standard Index

Index of GRI Sustainability Reporting Standards (2021) by the Global Sustainability Standards Board (GSSB)

Statement of use	Linglong Tire reported in accordance with the Global Reporting Initiative (GRI) Standards for the period from January 1, 2024 to December 31, 2024	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standards	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Linglong Tire
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External Assurance	Assurance Statement
	2-6 Activities, value chain and other business relationships	About Linglong Tire
	2-7 Employees	Employees
	2-8 Workers who are not employees	Employees
	2-9 Governance structure and composition	Corporate Governance Sustainability Management Structure
	2-10 Nomination and selection of the highest governing body	Corporate Governance Sustainability Management Structure
	2-11 Chair of the highest governing body	Corporate Governance Sustainability Management Structure
	2-12 Role of the highest governance body in overseeing the management of impacts	Chairman's Message Sustainability Management Structure
	2-13 Delegation of responsibility for managing impacts	Chairman's Message Sustainability Management Structure
	2-14 Role of the highest governance body in sustainability reporting	Chairman's Message Sustainability Management Structure

GRI Standards	Disclosure	Location
	2-15 Conflicts of interest	Corporate Governance Business Ethics
	2-16 Communication of critical concerns	Due Diligence and Stakeholder Communication
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance
	2-19 Remuneration policies	Employees
	2-20 Process to determine remuneration	Corporate Governance
	2-22 Statement on sustainability strategy	Sustainability Concept
	2-23 Policy commitments	Sustainability Management Structure
	2-24 Embedding policy commitments	Sustainability Management Structure
	2-27 Compliance with laws and regulations	Compliant Operation
	2-29 Approach to stakeholder engagement	Due Diligence and Stakeholder Communication
	2-30 Collective bargaining agreements	Employees
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Process of Topics' Materiality Analysis Conclusion of Materiality Analysis
	3-2 List of material topics	Process of Topics' Materiality Analysis Conclusion of Materiality Analysis
	3-3 Management of material topics	Process of Topics' Materiality Analysis Conclusion of Materiality Analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Linglong Tire
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Tackling
	201-3 Defined benefit plan obligations and other retirement plans	Employees

Report Standard Index

GRI Standards	Disclosure	Location
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Co-construction and Public Welfare Charity
	203-2 Significant indirect economic impacts	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 301: Materials 2016	301-2 Recycled input materials used	Circular Economy
	301-3 Reclaimed products and their packaging materials	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Management
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	

GRI Standards	Disclosure	Location	
	303-4 Water drainage		
	303-5 Water consumption		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem and Biodiversity Conservation	
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-3 Habitats protected or restored		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change Tackling ESG Data Sheet and Notes	
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
	306-1 Waste generation and significant waste-related impacts		Environmental Management
	306-2 Management of significant waste-related impacts		
306-3 Wastes generated			
306-5 Waste directed to disposal			

Report Standard Index

GRI Standards	Disclosure	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Work Safety
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
	GRI 404: Training and Education 2016	
404-2 Programs for upgrading employee skills and transition assistance programs		

GRI Standards	Disclosure	Location
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employees
GRI 406: Non-discrimi- nation 2016	406-1 Incidents of discrimination and corrective actions taken	Employees
GRI 407: Freedom of Asso- ciation and Collective Bar- gaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employees
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employees
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Co-construction and Public Welfare Charity
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Safety and Quality of Products and Services
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Safety and Quality of Products and Services
	417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Customer Privacy Protection



Glossary

Glossary

Terms	Definition
AGV	Automated Guided Vehicle.
CBAM	Carbon Border Adjustment Mechanism, also referred to as carbon border tax, is a tax imposed by the European Union on the carbon emissions of some imported goods.
EAMS	Enterprise Asset Management System.
EUDR	The <i>EU Deforestation Regulation</i> prohibits the placement on the EU market or the export from the EU market of products that fail to meet its stringent legality and sustainability criteria. It regulates seven commodities, including rubber, and imposes rigorous controls on the traceability and transparency of these commodities and their derived products.
FMEA	Failure Mode and Effects Analysis is a systematic methodology for assessing product reliability. It evaluates the risk level of potential issues by analyzing and documenting a product's failure modes, their associated impacts, probable causes or underlying failure mechanisms, the frequency of occurrence, and the detectability of such failures.
GPSNR	The Global Platform for Sustainable Natural Rubber (GPSNR) is an independent, non-profit, non-governmental organization founded by the World Business Council for Sustainable Development (WBCSD). It is committed to leading improvements in the socio-economic and environmental performance of the natural rubber supply chain and bringing together various stakeholders to a common ground to build a fair, equitable, and environmentally sound natural rubber value chain.
MES	Manufacturing Execution System.
PCR	Passenger Car Radial.
QMS	Quality Management System.
RSCI	Responsible Supply Chain Initiative.
RTO	Regenerative Thermal Oxidizer is an organic exhaust gas treatment equipment with high efficiency for VOCs.
SAQ	Supplier Assurance Questionnaire.
SAQ 5.0	Sustainability Assessment Questionnaire (SAQ 5.0).
TBR	Truck and Bus Radial.
VOCs	Volatile Organic Compounds.
Zeolite rotor	Organic exhaust gas treatment equipment.



Assurance Statement



ASSURANCE STATEMENT CN25/00002556

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2024 SUSTAINABILITY REPORT OF SHANDONG LINGLONG TYRE CO., LTD. SUBMITTED BY SHANDONG LINGLONG TYRE CO., LTD.

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Shandong Linglong Tyre Co., Ltd. (hereinafter referred to as LINGLONG) to conduct an independent assurance of the Chinese version of 2024 LINGLONG Sustainability Report (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all LINGLONG's stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the governing body and the management of LINGLONG. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all LINGLONG's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content refers to the requirements of GRI Standards 2021.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees (located at No. 777 Jinlong Road, Zhaoyuan City, Shandong Province, on-site); documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emissions related data in the Report has not undergone verification by an independent third-party auditor. In the context of the present assurance engagement, our procedures were limited to sample-based validation.



This assurance engagement was restricted to the group level of LINGLONG and did not include traceability of original data from all subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from LINGLONG, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified data and information included in the scope of assurance is accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON GRI STANDARDS 2021

The assurance team concludes that the Report has referred to the requirements of GRI Standards 2021.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the Internal Management Report on Sustainability Reporting Assurance. This report has been officially presented to the relevant management divisions of LINGLONG to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

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Apr. 21st, 2025
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