



Shandong Linglong Tyre Co., Ltd.

# Sustainable Development Report (2022)



[www.linglong.cn](http://www.linglong.cn)

777 Jinlong Road, Zhaoyuan City, Shandong Province



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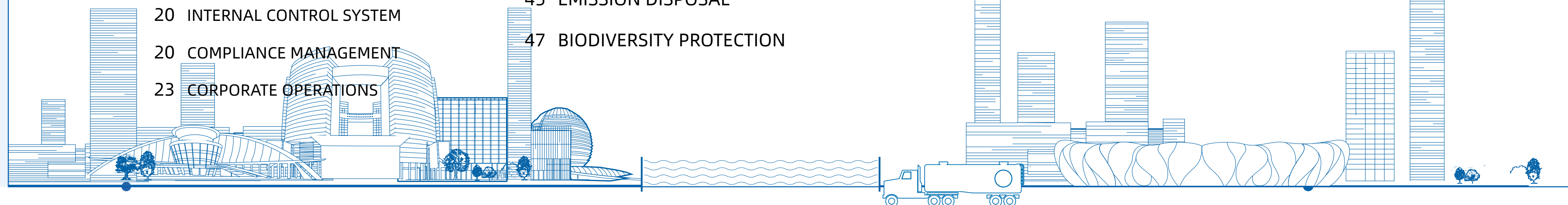
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## Introduction to the report

Shandong Linglong Tyre Co., Ltd. (hereinafter referred to as "Linglong Tyre", "Linglong", "the Company" or "we ") would like to elaborate on our values, vision, goals, actions, and performance in the governance, economy, environment, and society field to all stakeholders through this Sustainable Development Report based on international standards. Linglong releases a Sustainable Development Report once a year, in conjunction with our Annual Report.

First release date: April 2018, Social Responsibility Report

Previous version release date: April 2022, Social Responsibility Report

Current version release date: April 2023, Sustainable Development Report

Next version release date: April 2024

### Scope of reporting

This Report covers the period from January 1, 2022 to December 31, 2022. To facilitate stakeholders to have a longitudinal understanding of the sustainable development of Linglong Tyre, some data from 2020-2021 are also disclosed. The scope of disclosure of this Report is kept consistent with the financial report of Linglong Tyre, if any inconsistency, explanations are given in the body of the Report.

### Notes to Data

This Report presents the economic, environmental, and social performance of Shandong Linglong Tyre Co., Ltd. for the period from January 1, 2022 to December 31, 2022. The financial data of the Report all comes from the Annual Report 2022 of Shandong Linglong Tyre Co., Ltd. (which has been audited by PricewaterhouseCoopers Zhong Tian CPAs), all monetary amounts quoted in the Report are shown in RMB, if not otherwise stated.

### Reference standard

This Report is prepared with reference to Sustainable Development Reporting Standards 2021 (GRI Standards 2021) published by the Global Sustainability Standards Board (GSSB).

### External authentication

This Report has been authenticated by an independent third party by SGS, and the authentication statement is attached.

### Access method

This Report is prepared in both Chinese and English, with printed and electronic versions. The electronic form of the Report can be viewed online or downloaded from the official website of Linglong Tyre at <https://www.linglong.cn/>. In case of slight differences between the Chinese and English versions, the Chinese version shall prevail. If you have any questions or suggestions about the contents of this Report, please feel free to call or write to us at:  
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## MESSAGE FROM CHAIRMAN

### Looking back at 2022, the change accelerated

Looking back at 2022, we have a lot of pride in our hearts and a lot of emotions. The time is silent, engraving unforgettable marks in the heart. The dream is boundless, shining on the majestic and grand Chinese land.

This year, the change in the global political and economic situation has accelerated, the black swan event has wantonly impacted our lives, and inflation and interest rate hikes in major global economies have coexisted. This year, regional conflicts have been constantly intensified. With "certainly" turning into "unexpectedly" and "definitely" turning into "circumstantially". Everything has been broken and again rebuilt. This year, "new historical features" emerged in the fundamentals of daily life. We are constantly reminded that evolution of the world status is accelerating, fast-forwarding from bucolic life to the verge of destruction as if it is like a hundred years in a day.

In the global economic wave of 2022, Linglong Tire, as an internationally listed tire company, insisted on fast and steady progress, never forgetting our original intention, being refreshed, and forging ahead, coping with the windy peripheral environment, and the structural domestic environment, and striving for high-quality sustainable development. To achieve this goal, we will carry out comprehensive layouts and changes in the supply chain, value chain, and industry chain, with new retail "3.0", "carbon peaking and carbon neutrality" goals, and brand planning. In the future, we will build a sustainable ecosystem with more extensive, professional, and social values.



**Shandong Linglong Tyre Co. LTD**  
**Chairman and president**

### I. In the era of carbon peaking and carbon neutrality, a green supply chain will boost the sustainable development of enterprises

With the advance of global "carbon peaking and carbon neutrality" goals, the automotive industry chain rapidly develops towards electrification, intelligence, and networking, new energy vehicles have become the future development direction of the automotive industry. Sustainable development of the automotive industry chain is inseparable from the coordinated professional sustainable development of upstream and downstream supply chains. As a leading manufacturer of auto parts in China, we have taken the lead in promoting the sustainable development of our Company from the supply chain side. We joined the "Global Platform for Sustainable Natural Rubber (GPSNR)" in 2022, becoming the first tire company in mainland China to officially join this platform, taking the initiative to assume the international mission and responsibility as a leading tire company. We adopted and implemented the Sustainable Natural Rubber Policy, and promoted cooperation with stakeholders, to fully build a sustainable natural rubber supply chain under joint hand effort.

The "carbon peaking and carbon neutrality" strategy merits in the present age and benefits future generations. We aim to achieve carbon peaking by 2030 and carbon neutrality by 2050. To enhance the competitiveness of the supply chain, while ensuring supply, reducing cost, improving efficiency, and controlling risk, we further integrate sustainable concept and practice into the process of supplier management. We have established the Supplier Sustainability Requirements of Linglong Tire in line with good practices of sustainable management, which requires suppliers to actively fulfill social responsibility while providing products and services that meet the requirements of Linglong.







## II. Focus on quality management system construction, and consolidate the core value chain of sustainable development

Rooted in global consumer demands, we take three aspects as effective means, including system guarantee, product quality, and satisfaction enhancement, to perfect the quality management system through continuous improvement, scientifically arrange the research and development (R&D) layout of "three countries and seven regions" and strive to realize the sustainable development of the core value chain of tires. By the end of 2022, the Company holds more than 1,200 validly authorized patents, and the number of patents holdings ranked among the top Chinese tire companies. Investment in scientific research and the quality of patented technology are important cornerstones to ensure the creation of a core value chain for listed companies. Focusing on the sustainable development of listed companies, we deeply engaged in sustainable corporate governance, sustainable quality management, sustainable digital management, and sustainable development of product life cycle.

**Consolidate the innovation-driven strategy to create world-class technology.** Based on the 2030 medium- and long-term development strategic plan, the Company focused on implementing the innovation-driven development strategy. In 2022, we made achievements in the research and development of new materials, new technologies, and new formulations, around key technology research, bottleneck technologies, and frontier technology breakthroughs, and further enhanced the level of independent innovation capability and sustainable development core value chain.

**Sustainable quality management.** We aim to reach the world's leading level of excellence in quality management systems by 2030. Now we are in the second stage: the middle stage of quality system assurance. In the future, we will usher in the stage of quality system prevention and quality system excellence to truly achieve sustainable development of quality.

**Sustainable digital management.** Digitalization drives the transformation of manufacturing and leads to thinking about digital transformation based on value. Around the open and connected platform, we redefined the enterprise boundary to realize the reconstruction of value chain ecology.

**Sustainable development of product life cycle.** We established all-round cooperation from the long-term and macroscopic perspective to promote the full volume and high-value recycling of globalized waste tires at home and abroad, which will provide the industry with a sample of green and low-carbon development of the full life cycle of tires and set an example for the whole industry in the sustainable development of the value chain.

## III. Deeply explore the channel and continue to improve the resilience and security of the industry chain.

We are committed to the sustainable development of the industry chain. On the one hand, we consolidate long-term and stable cooperation with the supply side, focusing on the global strategic cooperation mechanism for raw material procurement, and establishing long-term and solid cooperation relationships with Bekaert, Birla, Sri Trang, Kumho, and other industry-advantageous manufacturers. On the other hand, we expand the cooperation channels with the demand side to provide sustainable "product + service+ value" for the construction of automakers supporting infrastructure and global retail channels.

In 2020-2022, the Company ranked first among the newly listed new energy vehicle original equipment (OE) tire brands in China and had maintained the position of a leading domestic OE tire brand for years. Products of our Company exported to 173 countries. Up to now, our Company has provided OE services for over 200 manufacturing bases of 60 global well-known automakers and provided automobile companies with a total of more than 200 million OE tires.

Enterprises are micro subjects in the industrial chain. Under the consideration of cost, resource elements, market, and strategic needs, we continuously decentralize our layout of various business activities globally in the process of global development. In the process of enhancing the toughness and security level of the industry chain, we continuously promote the integration and development of upstream and downstream enterprises and the sharing of production factors within each other. By accelerating scientific and technological innovation, sharing financial models, and optimizing the development environment, etc., we promote the sharing of production factors between our clients and suppliers. A new industrial organization form is built with Linglong as the "chain master", uniting the upstream and downstream of the industry chain, to collaboratively improve industrial innovation ability, supply chain smoothness, and market expansion potential, and to promote integrated and common development of the industrial chain.





#### IV. People-oriented, give back to the community, compliance management, brand building, to enable sustainable development of our Company

**Insist that talent is the primary productive force.** We insist on an integrated and diversified talent training system to cultivate international compound talents to enable our “7+5 Global Development Strategy” (hereinafter referred to as “7+5 strategy”). We insist on building a promotion platform for talents, motivating talents with careers, and helping them to achieve great success. We adhere to people-oriented employment management system, abide by local laws and regulations, and follow the principle of “openness, fairness, and impartiality” to drive up the employment rate. Our Company respects each of our employees and never gives different consideration in the hiring and promotion process due to their race, color, religion, gender, disability, etc.

**Focus on public welfare and live in symbiosis with the sustainable development of a harmonious society.** Construction of township infrastructure in Zhaoyuan, donation of rescue vehicles and materials in China factories in Jingmen and Dezhou, support of public welfare activities in overseas bases, etc. In addition, we continued the “Trucker Care Program” in 2022 to bring understanding and care to truckers and their relatives. Also, Linglong Tire deeply united with Wolfsburg to contribute more to the “Race to Zero” campaign and promote international ecological protection.

**Insist on compliance with laws and regulations and build a solid internal control system.** By strictly complying with principles of operation with integrity and compliance with laws and regulations, we have established a sound law compliance system in the fields of incorruptible operation, fair competition, labor protection, environmental protection, information security, intellectual property protection, and consumer protection to ensure legalization and standardization of our business activities. We have established an internal control system based on our organizational structure and operating model to ensure legality and compliance of our operation and management, safety of assets, as well as truth and completeness of financial reports and relevant information.

**Adhere to the “brand + capital” as the double engine.** For three consecutive years, namely, 2020, 2021, and 2022, Linglong Tire was listed in the “Worldwide Most Valuable Tires Brand” released by Brand Finance, a British brand value consulting company, becoming the only Chinese tire brand on the list for three consecutive years. In the annual information disclosure evaluation of the Shanghai Stock Exchange, Linglong Tire received the highest rating of A throughout the past three years, becoming the only company in the tire segment of Shanghai Stock Market Companies to receive a rating of A for three consecutive years!

#### Looking ahead to 2023, the future is coming

From the “going out” to the order reconstruction under new situation, we believe, not because the future is worth believing, but because we must believe the future. It is not a case that the good life is waiting ahead, but about believing leverages yearning. Spring will eventually give back to each of those who sacrifice themselves to help others, those who hold on, and those who shine in the winter.

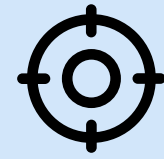
In 2023, we are willing to implement global development initiatives and global security initiatives together with colleagues in the automotive industry chain, promote the common values of all mankind, and join hands to promote the building of a community of human destiny. Based on the actual situation of the enterprise, we will contribute to the first and sustainable advantages of the tire industry and technology, coordinate the industry chain to create a new journey of high-quality development of the industry, and jointly overtake to lead the new trend of new energy vehicle tires!





## OVERVIEW OF LINGLONG SUSTAINABILITY HIGHLIGHTS

According to the Outline of Medium- and Long-term Development Strategic Plan (2020-2030) of Shandong Linglong Tyre Co., Ltd., the core of the development strategy of Linglong Tire is to capture new positioning, cultivate new advantages and take new initiatives. According to the principles of integration of upstream and downstream projects, logistics and transmission, environmental protection, and management services, we strive to build the Company into an internationally famous tire enterprise with advanced technology, perfect supporting facilities, environmentally friendly, high production efficiency, excellent product quality, and strong competitiveness, to achieve sustainable development in society, economy, and ecological environment field.



### Medium- and long-term goals

By 2030, we strive to achieve a total tire production and sales volume, of 160 million a total sales revenue of more than RMB 80 billion, the scale of production capacity ranking top 5 worldwide, and to build a technology-based tire manufacturing enterprise with world-class technical level, management, and brand influence.



### Long-term vision

We strive to become a technology-based tire manufacturing enterprise with world-class technical level, management, and brand influence.

## Linglong Tire's Contribution to SDGs (Sustainable Development Goals)

We support the United Nations Sustainable Development Goals (UN SDGs), focusing on all aspects from human well-being to environment. We commit to all-around sustainable development of the environment, social, and governance (ESG), and work together with customers, the supply chain, and other business partners to promote world prosperity.







We acknowledge of 14 UN SDGs highly relevant to the sustainability plan of Linglong, and have been put into practice in 2022. The progress of those is documented in corresponding sections in this Report.

Linglong Tire contributes to the achievement of UN SDGs	Disclosure sections
<p><b>1 无歧视</b></p> <p>We promote the concept of humanized management, abide by laws and regulations, promote freedom of employment, control working hours, and provide employees with competitive salaries and benefits in line with labor laws and regulations.</p>	Building a happy workplace
<p><b>3 良好健康与福祉</b></p> <p>We focus on the practical protection of employees' interests, carry out regular testing of occupational hazards at work sites, hazard notification, prevention and pre-control, and regular health inspection of positions expose to occupational hazards, and implement the management of health supervision files for positions at all levels to make occupational health and safety management controllable and under control.</p>	Building a happy workplace
<p><b>4 优质教育</b></p> <p>We have established a perfect training management system around the establishment of a job qualification model, curriculum system construction, instructor management, training operation management, and other dimensions, systematically standardized the education and training required for employees, and formulated employee education and training plans. We also developed targeted training materials, built an internal instructor team, and formed a set of education and training work systems that combines with the actual situation of the enterprise.</p>	Training and Professional Development



Linglong Tire contributes to the achievement of UN SDGs	Disclosure sections
 <p>We have established policies and procedures such as Human Resource Management System and Employee Handbook, requiring not to treat employees differently based on race, ethnic or social origin, social class, origin, religion, disability, gender, sexual orientation, family responsibilities, marital status, group membership, political views, age, or any other factors.</p>	Standardized employment relationship
 <p>We continue water conservation management, and through process optimization, quality and efficiency improvement, equipment improvement, etc. of water usage during the production process, the total amount of water consumption is controlled. We also improve water consumption methods, finely control process water consumption, and establish a recycling water mechanism for the production links with low water quality requirements to improve the recycling rate of water resources.</p>	Green process
 <p>Actively responding to the call of national "carbon peaking and carbon neutrality" policy, we adopt photovoltaics to reduce the consumption of non-renewable energy. The use of photoelectricity has increased gradually since 2020. In 2022, 3.5% of the total electricity consumption at all bases come from photoelectricity.</p>	Green process
 <p>According to local regulations, market level, and operation status of the Company, we have designed a motivating salary system, providing employees with at least one salary adjustment opportunity per year. We have also established a fair performance bonus system. For excellent and core employees, we provide them with physical examinations, subject bonus incentives and equity incentives, and other policies to guarantee decent work and life for employees.</p>	Standardized employment relationship
 <p>We have established a globalized open R&amp;D innovation system covering "three countries and seven regions", and built Sino-Asia Tire Proving Ground, the first large-scale outdoor comprehensive tire test site in China. We own a national industrial design center, a nationally recognized enterprise technology center, and a nationally recognized laboratory, and set up the "TKS Rubber Technology Development and Innovation Alliance ", a postdoctoral workstation, and an academician workstation. We further built the first noise laboratory and low rolling resistance laboratory in the industry, as well as cutting-edge scientific research and innovation platforms such as the tire NVH laboratory and dynamics laboratory.</p>	Innovation and intelligent manufacturing

Linglong Tire contributes to the achievement of UN SDGs	Disclosure sections
 <p>We adhere to people-oriented employment management system, abide by local laws and regulations, and follow the principle of "openness, fairness, and impartiality" to drive the employment rate. The Company respects each employee and never gives different consideration in the hiring and promotion process based on race, color, religion, gender, disability, etc.</p>	Standardized employment relationship
 <p>We ensure compliance with emission standards and reduce fugitive emission in all cases. Meanwhile, the Company pays great attention to waste management and establishes <u>Waste Disposal Management Procedures</u> to minimize the environmental impact and recycling, contributing to building sustainable cities and communities</p>	Disposal of emissions
 <p>To enhance the competitiveness of the supply chain, while ensuring supply, reducing cost, improving efficiency, and controlling risk, we further integrate sustainable concept and practice into the process of supplier management. We have established the <u>Supplier Sustainability Requirements</u> of Linglong Tire in line with good practices of sustainable management, which requires suppliers to fulfill their social responsibility while providing products and services that meet the requirements of Linglong.</p>	Responsible sourcing policy
 <p>To standardize GHG information management and effectively manage GHG tracking and reduction performance, we issued and implemented <u>GHG Inventory Procedures</u> in June 2022, and formulated a carbon inventory promotion plan for each manufacturing base. It is expected to complete carbon inventory for all manufacturing bases in 2024 and form GHG inventory and report every year thereafter.</p>	Tackle climate change

## Linglong Tire contributes to the achievement of UN SDGs

## Disclosure sections



To strengthen our social responsibility for biodiversity, we aim to integrate biodiversity into our decision-making process and operations and strive to apply our biodiversity policy to all manufacturing bases and suppliers at all levels. As a tire company that joined GPSNR, we are committed to source natural rubber produced in a way that does not lead to deforestation or reduce High Conservation Value (HCV), and to actively promote stakeholder cooperation. We are also committed to work with natural rubber suppliers to support the long-term conservation of natural forests and other ecosystems and their conservation values and to support deforestation and rehabilitation activities in degraded rubber landscapes.

### Biodiversity Protection



By complying with principles of operation with integrity and compliance with laws and regulations, we have established a sound law compliance system in the fields of incorruptible operation, fair competition, labor protection, environmental protection, information security, intellectual property protection, and consumer protection to ensure the legalization and standardization of our business activities.

### Compliance Management

## Economic performance

We believe that the sustainable development of the Company is the basis for creating long-term value.

- Annual operating income of 17,005.89 million yuan, decrease 8.47% on year-on-year basis
- Net profit of 291.79 million yuan, decrease 63.00% on year-on-year basis
- Generate tax revenue of 210.13 million yuan for the government
- Paid a total of 1,788.93 million yuan to all employees, including salaries, bonuses, allowances, housing fund, and social insurance premiums
- R&D investment of 747.93 million yuan
- Tire production capacity reached 84.36 million units

## Environmental performance

We invest resources in the green field to give positive feedback on the sustainability of the earth.

- Environmental protection and safety input of 87.71 million yuan
- Total Scope I and Scope II GHG emissions of 1208 ktco<sub>2</sub>eq in 2022.
- Carbon emission intensity per unit product of 1.24 tco<sub>2</sub>eq/t in 2022.
- Launched the first sustainable green tire, made of 51% sustainable materials, with a rolling resistance 20% lower than ordinary products, and comprehensive performance of rolling resistance reaching class A, Noise level A
- Energy saving of 2,043.23 tons of standard coal, through the implementation of various energy-saving and emission-reduction measures
- Product water consumption intensity of 0.73 cubic meters per 10,000 RMB
- Self-generated and self-used photovoltaic power capacity accounted for 3.50%

## Social performance

We are committed to creating opportunities for our employees, providing a fair operating environment for our suppliers, creating wealth for society, and contributing to human well-being.

- Company-level safety training of 24 sessions, a total of 144 training hours
- Investigated more than 16,000 safety hazards, with a correction rate of 100%
- Recruited and absorbed 6,498 employees
- Offered working position for 125 disabled employees
- Held over 7,190 internal training activities, with 272,578 participants, 1,496,245.45 training hours, and an average of 80.73 training hours per participant capita.
- Invested more than RMB 2 million to introduce external training resources, with a total of 1,020 training hours and 185 participants
- 100% of domestic production-based suppliers completed the self-assessment of the "Green Supplier Assessment Criteria of Linglong Tire".
- 60% of synthetic rubber suppliers and 80% of carbon black suppliers use recycled packaging
- Accumulated public welfare investment of about RMB 2.49 million
- Volunteered 372 times, with an accumulated service time of 2,117 hours
- The "Trucker Care Program" radiated to 70+ cities offline, cared for more than 12,000 truckers







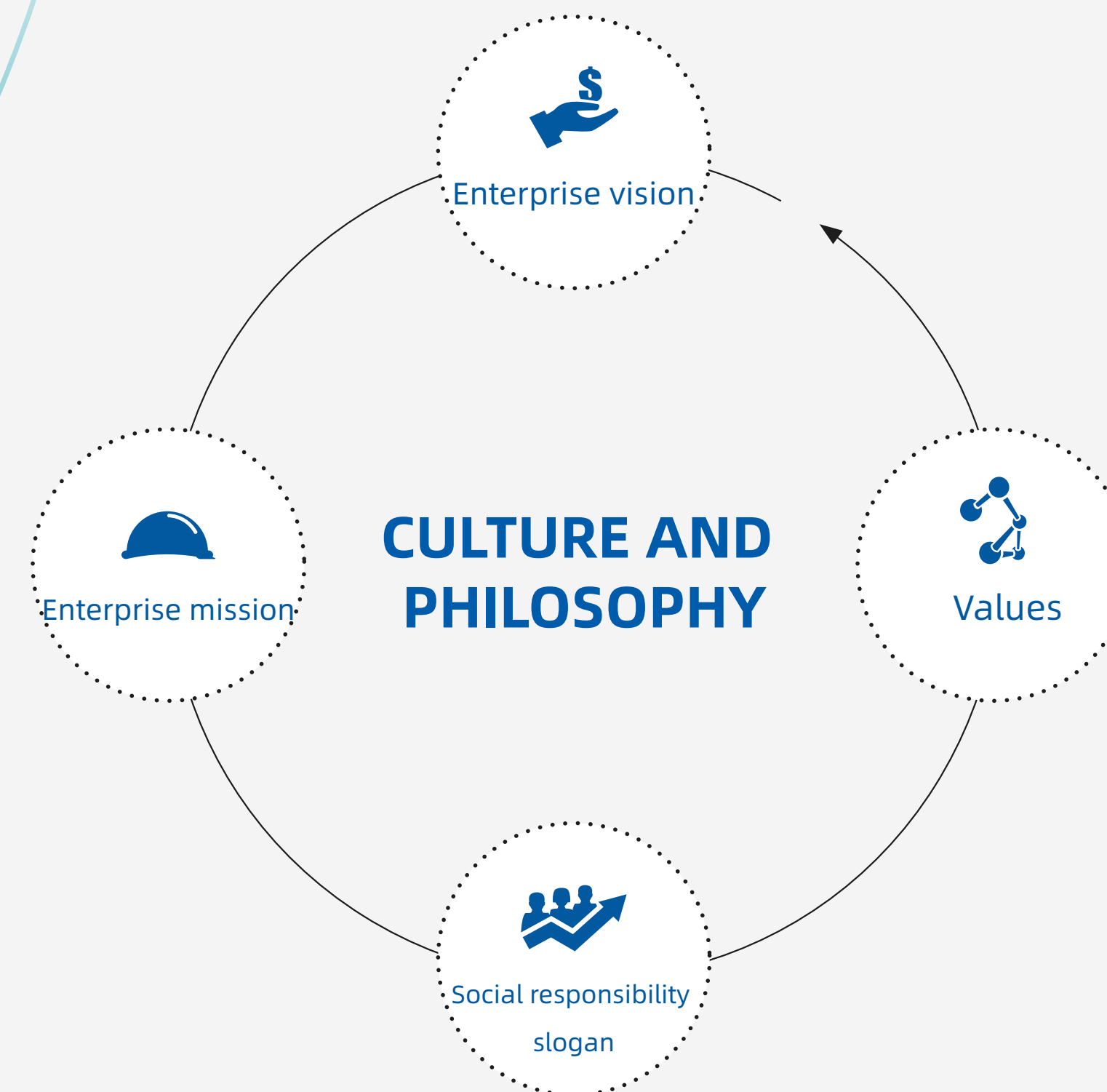
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# ABOUT LINGLONG

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## CULTURE AND PHILOSOPHY

Enterprise vision

Values

Social responsibility slogan

Enterprise mission

## COMPANY PROFILE

Founded in 1975, Shandong Linglong Tyre Co., Ltd. is headquartered in Zhaoyuan, Shandong Province. Listed on the main board of the Shanghai Stock Exchange on July 6, 2016 (stock code: 601966), Linglong Tyre had been successively included in three major international indexes, including MSCI Index, FTSE Russell Index, and S&P Emerging Markets Index, as well as CSI 300 Index, winning the unanimous favor of the capital market.

Since the establishment of the Company, with the enterprise spirit of "Unity And Hard Work, Striving For First-class", we have developed into a technology-based tire manufacturer integrating tire design, development, manufacturing, and sales for more than 40 years. Our main products include passenger car radial (PCR) tires, light truck radial (LTR) tires, truck and bus radial (TBR) tires, and off-road tires, widely used in passenger cars, commercial vehicles, construction machinery vehicles, etc.

### 1、 Enterprise vision

We strive to become a technology-based tire manufacturing enterprise with world-class technical level, management level, and brand influence

### 2、 Enterprise mission

Care for the community and serve the country through industry

### 3、 Values

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

### 4、 Social responsibility slogan

Passing on the power of Linglong and building a better society together





Over the years, we have exerted advantages and strove to improve products and services, which have been highly recognized by various related parties in tire manufacturing and services and achieved many honors.

## Major honors and awards in 2022



In 2022, Linglong Tire won the CAPIA "Mass Production- Excellence Award of Chassis" and "Prospect- Excellence Award of Chassis" and is the only tire company to win the award for three consecutive years.



On November 10, 2022, the Company won the "Ram Charan Management Practice Award - Excellence", a prestigious global management award, for our cutting-edge thinking and practice in digital marketing transformation.

2022	2021	2020	Rank	Name	Country	2022	2021	2020	2019
1	1	1	1	Mitsubishi	JP	17,739M	26,848M	AAA	AAA
2	2	2	2	Bridgestone	JP	17,009M	26,802M	AAA	AA+
3	3	3	3	Continental	DE	14,293M	23,102M	AAA	AA
4	4	4	4	Dunlop	JP	12,488M	17,652M	AA+	AA
5	5	5	5	Goodyear	US	12,293M	17,794M	AAA	AA
6	6	6	6	Pirelli	IT	11,922M	17,029M	AAA	AA+
7	7	7	7	Harlock	JK	11,427M	17,102M	AA	AA
8	8	8	8	Yokohama	JP	11,180M	17,029M	AA+	AA+
9	9	9	9	Tea Tires	TH	10,671M	17,029M	AA	AA
10	10	10	10	SKT	TH	10,671M	17,029M	AA	AA
11	11	11	11	Linglong Tire	CH	10,671M	17,029M	AA	AA

For three consecutive years, namely, 2020, 2021, and 2022, Linglong Tire was listed in the "Worldwide Most Valuable Tires Brand" released by Brand Finance, a British brand value consulting company, becoming the only Chinese tire brand on the list for three consecutive years.



In the annual information disclosure evaluation of the Shanghai Stock Exchange, the Company received the highest rating of A for three consecutive years, becoming the only company in the tire segment of Shanghai Stock Market Companies to receive a rating of A for three consecutive years.



In the activity of "2022 China Brand Value Evaluation", Linglong Tire ranked 14th in the energy and chemical industry list, with obvious improvement in brand strength and brand value.



Listed on the "Top 500 Chinese Brand Values" for the 19th time and listed among the top 500 Asian brands. Reached a brand value of RMB 68.939 billion, maintaining an annual growth rate of over RMB 5 billion for 9 consecutive years.





## Major honors and awards in 2022



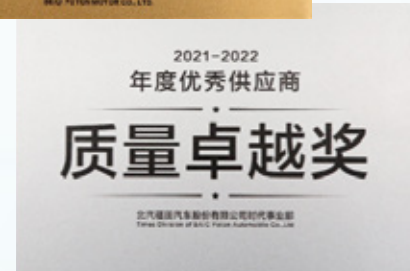
In 2022, the Company won the "2021 Collaborative Development Award" and "2021 TCO Contribution Award" issued by FAW Jiefang.



In 2022, the Company won the Award announced by Geely Commercial Vehicle: Best Partnership Award 2021



Linglong Tire won the "2021-2022 Outstanding Supplier China Ollin Mission Bearer Award" and the "2021-2022 Outstanding Supplier Value Contribution Award" issued by Beiqi Foton Motor Co., Ltd.

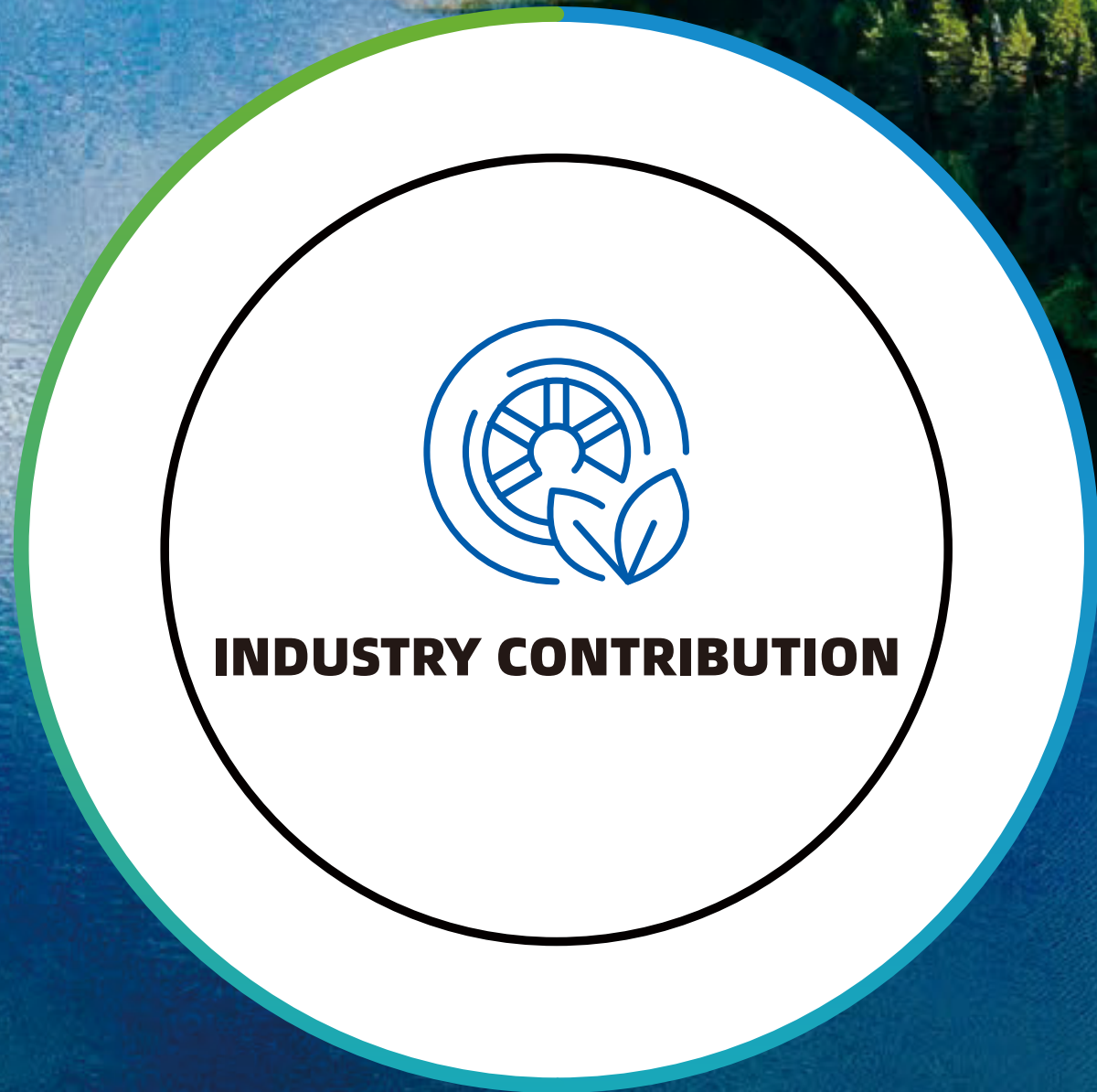


In January 2022, the Company won the certificate of "Leader" of enterprise standard again with the standards 12R22.5 Radial Tires for Laden Vehicles and 315/70R22.5 Radial Tires for Laden Vehicles implemented on December 1, 2021, leading the tire industry enterprise standards for two consecutive terms.



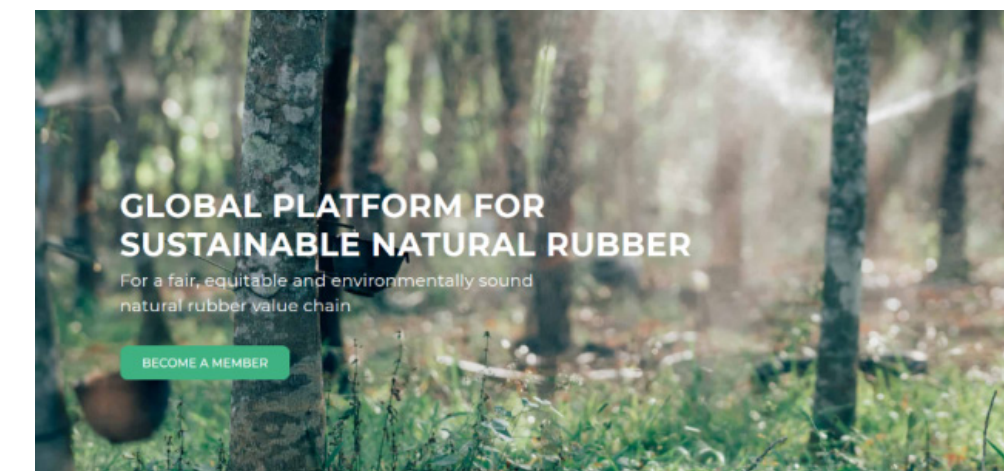
In 2022, the Company won the award announced by Guangxi Liugong Machinery Co., Ltd.: Best Delivery Award 2021





Actively participating in industry associations and organizations, we successively joined the China Rubber Industry Association, China Petroleum and Chemical Industry Federation, Rubber and Plastic Green Manufacturing Committee of the Chemical Industry and Engineering Society of China and China Tire Intelligent Manufacturing and Standardization Alliance, etc. to promote industry exchanges and facilitate industry development.

Tips: Developed by the tire industry division of the World Business Council for Sustainable Development (WBCSD), the Global Platform for Sustainable Natural Rubber is an independent, non-profit, non-governmental organization. The organization is dedicated to improving the socio-economic and environmental performance of the natural rubber supply chain and aims to unite the efforts of all its members to create a fair, equitable, and environmentally friendly natural rubber value chain.



The Sustainable Natural Rubber Policy publicly released by Linglong

<https://en.linglong.cn/about/sustainability.html>

We joined GPSNR in 2022, becoming the first tire company in mainland China to officially join this platform. By adopting and implementing the Sustainable Natural Rubber Policy, and promoting cooperation with stakeholders, we join hands to fully build a sustainable natural rubber supply chain, to promote industry optimization with R&D, and to contribute to the sustainable development of global natural rubber and global ecological environmental protection.





Level	Membership of Associations	Status of Linglong Tire	Membership Time
International level	Global Platform for Sustainable Natural Rubber (GPSNR)	Membership	2022
National level	TKS Rubber Technology Development and Innovation Alliance	Director unit	2015
	China Rubber Industry Association (CRIA)	Standing director unit, vice president unit of the Tire Branch	2001
	China Enterprise Confederation (China Entrepreneur Association)	Vice president unit	2008
	China Petroleum and Chemical Industry Federation	Vice president unit	2017
	China Environment News	Standing director unit	2019
	Director of China Tire Intelligent Manufacturing and Standardization Alliance	Director unit	2017
	China Rubber Magazine	Vice president unit	2019
	China Chamber of International Commerce	Member unit	2019
	China Association for Public Companies	Member director unit	2019
	Rubber Committee of the Chemical Industry and Engineering Society of China	Vice President Chen Xuemei is a member of the 10th Special Committee	2022
China Federation of Logistics & Purchasing	Vice president unit	2022	
Provincial level	Shandong Rubber Industry Association	Vice president unit (vice chairman)	1999
	Society of Automotive Engineers of Shandong	Member unit	2007
	Shandong Association of Automobile Manufacturers	Member unit	2007

Level	Membership of Associations	Status of Linglong Tire	Membership Time
Provincial level	Federation of NGOs of Shandong Province	Director unit	2013
	Shandong Enterprise Directors Association	Vice president unit	2015
	Shandong Federation of Industrial Economics	Vice president unit	2015
	Shandong Urban Public Transportation Association	Director unit	2016
	Shandong Council for Brand Development	Director unit	2017
	Shandong Advanced Materials Industry Association	Director unit	2018
	Shandong Industrial Design Association	Member unit	2019
	Shandong Provincial Chamber of Commerce for Overseas Investment & Economic Cooperation	Member unit	2019
	The Listed Company Association of Shandong	Director unit	2016
	Shandong Province Service-oriented Manufacturing Development Promotion Association	Member unit	2022
Municipal level	Beijing Rubber Industry Research and Design Institute	Member of Rubber Machinery Branch	2022
	Yantai Quality and Branding Association	Vice president unit	2016
	Yantai Association of Foreign Economic Cooperation	Director unit	2018
	Yantai Federation of Enterprises and Enterprise Directors	Vice president unit	2019
	Yantai Association of Public Companies	Supervisor unit	2020





## Milestones

Because of road, we were born, thrived, and powerful.

**1975**

Zhaoyuan Tire Repair Factory was set up.

**1994**

Zhaoyuan Leao Rubber Limited Company (the predecessor of Linglong Tire) was established.

**2001**

The first semi-steel radial tyre was off the production line successfully.

**2002**

The first all-steel radial tyre was off the production line.

**2011**

Linglong Tire became the sponsor of the Chinese national men's and women's volleyball teams.

Linglong GREEN-MAX tire ranked the fourth in the world in the "2011 Summer Tire Test Report" released by the Finland Test World. Dezhou Linglong Tyre Co., Ltd. laid the foundation.

Linglong Tire National Enterprise Technology Center was officially authorized.

**2012**

Over the course of nine months, the first TBR tyre of Dezhou Linglong was off the line. Linglong International Tyre (Thailand) Co., Ltd. laid the foundation.

**2015**

The 40th anniversary of Linglong Tire, PCR project of Guangxi Linglong Tyre Co., Ltd. was put into operation.

The TBR Phase 1 of LLIT(Thailand) was completely put into production.

The key technologies of design and preparation of high-performance rubber nanocomposites for fuel-saving tyre won the Second Prize of National Technological Invention.

**2016**

Shandong Linglong Tyre Co., Ltd. was listed on the Shanghai Stock Exchange A-shares.

**2009**

The foundation laying ceremony of Beijing Tiancheng Linglong Tiancheng Linglong Tyre Co., Ltd. was held in Tongzhou, Beijing.

**2010**

The project of "Low Section Anti-skid and Low Noise Ultra-high Performance Radial Tyre" for Car won the Second National Prize for Progress in Science and Technology.

**2013**

Linglong Tyre European Test Detection Office was set up.

**2014**

LLIT(Thailand) PCR products were put into full operation.

The first PCR tyre of Dezhou Linglong was off the line. Linglong Tire entered an official contract with Wolfsburg Football Club. In March, LINGLONG AMERICAS INC. was established.

**2017**

Cai Zongju, the world boxing champion, became the image spokesperson of Linglong SUV tyre.

ATLAS brand launched on the market. Became the official partner of the 2017-2018 China Volleyball Super League.

Became the official partner of the 2017 NBA China Game.





## Milestones

Because of road, we were born, thrived, and powerful.

### 2018

Became the top partner of Juventus F.C.  
 As the title sponsor of the International Baseball Invitation Tournament and ITF International Junior Tennis Tour. Set up Atlas Drift team and participated in D1 GRAND PRIX Drift Grand Prix China Cup.  
 The project of Hubei Linglong Tyre Co., Ltd. was officially launched. Listed in the "FORTUNE" China 500.  
 Signed an investment memorandum with the Serbian government, and the second overseas production base of Linglong Tire would soon be located in Serbia.  
 Won China Grand Awards for Industry, the highest award in Chinese industrial field.

### 2020

New retail started in March 2020. The PCR project of Hubei Linglong Tyre Co., Ltd. put into production.

### 2021

Listed in "2021 Top 10 Most Valuable Tyre Brands in the World"  
 The PCR factory of LLIT (Thailand) successfully entered Ford excellent supplier system. Release the "7+5" global strategy.  
 Linglong Tire new retail 2.0 officially launched.  
 Jointly established "Yuanmeng Public Welfare—Linglong Tire Public Welfare Foundation" with Beijing Yuanmeng Public Welfare Foundation, and launched its first commonweal project "Trucker Care Plan".  
 As the only tire supplier of Guangqi Honda in mainland China, it has officially realized the main tire supply.  
 The first all-steel radial tire of Jilin Linglong was off the production line. The Phase II project of Hubei Linglong was put into production and the Phase III project started smoothly. LLIT(Thailand) factory was evaluated by Ford Q1 and entered the excellent supplier system of Ford.

### 2019

In January 2019, Linglong Tire officially provide OE service for Audi A4 and Q3 models, becoming the first tyre supplier of Chinese self-owned brands to European luxury brands. Won Shandong Provincial Governor Quality Award.  
 Linglong Tire European factory project launched, and became the title sponsor of Serbian SuperLiga.  
 Linglong Tire Drift Team competed in D1 GRAND PRIX in Japan and won multiple sub-races.  
 The brand value of Linglong Tire reaches 45.369 billion yuan.  
 Became the "Senior Sponsor of the China Pavilion at Expo Dubai 2020". TBR project of Hubei Linglong Tyre Co., Ltd. put into operation.  
 Linglong Tire Industrial Design Center was rated as "National Industrial Design Center". It became China's top 500 listed companies by market value in 2019.

### 2022

Jilin Linglong's first large-scale tire production order was successfully delivered. The first tire of European Linglong was launched. The feasibility study of 30,000 tons of waste tire resource recycling project of Anhui Linglong Tyre Co., Ltd. was released. The "7+5 strategy" was steadily promoted.  
 In 2022, our brand value reached RMB 68.939 billion, and listed on the "Top 500 Chinese Brand Values" for the 19th time. Maintaining an annual growth rate of over RMB 5 billion for 9 consecutive years.  
 For three consecutive years, namely, 2020, 2021, and 2022, Linglong Tire was listed in the "Worldwide Most Valuable Tires Brand" released by Brand Finance, a British brand value consulting company, becoming the only Chinese tire brand on the list for three consecutive years.  
 We built two major brands for after-sales service, namely "Linglong Car Care Station" and "Atlas Trucker Home", to meet the needs of customers, and to improve the operational capacity and service quality of our stores.







4

# CORPORATE GOVERNANCE AND OPERATIONS

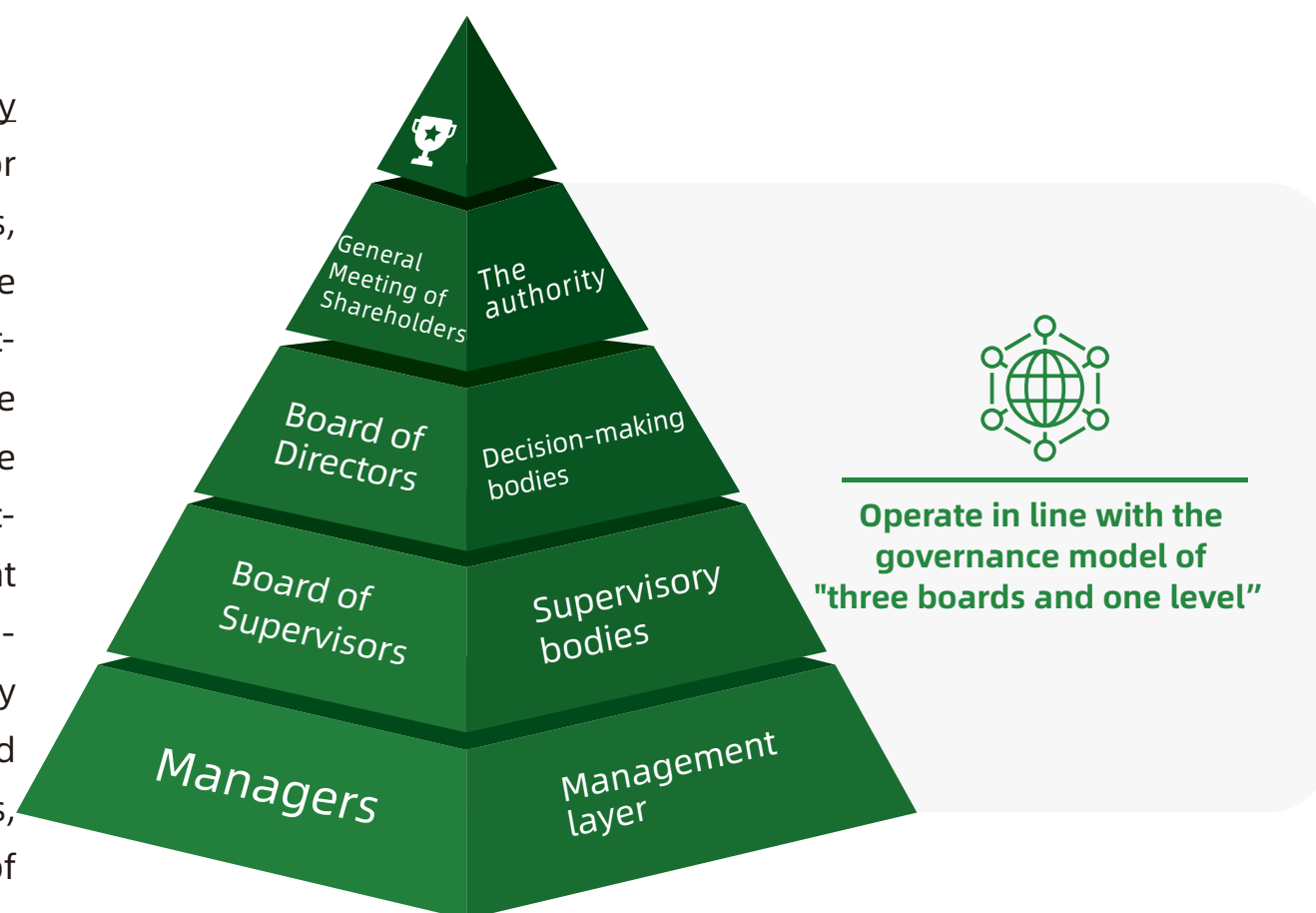
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## CORPORATE GOVERNANCE

In strict accordance with requirements of the Company Law, the Securities Law, the Code of Governance for Listed Companies, and other laws and regulations, departmental rules, and regulatory documents, we continuously improve our corporate governance structure and have built a corporate governance structure of "Three Boards And One Level", consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management level. The authority, decision-making bodies, supervisory bodies, and management level of the Company are arranged with clear separation of powers and responsibilities, mutual coordination, and balances, and operate in line with the governance model of "Three Boards And One Level."






We have established a sound system consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, independent directors, Secretary of the Board of Directors, and special committees of the Board of Directors according to the law, which complies with the requirements of the normative documents on the governance of listed companies. The authority of the Company is the General Meeting of Shareholders. The Board of Directors reports to the General Meeting of Shareholders and governs the Compensation and Assessment Committee, the Nomination Committee, the Strategy Committee, the Audit Committee, the Sustainable Development Committee, and the Compliance Management Committee. The General Manager reports to the Board of Directors.



**Strategy Decision-making Committee**

Main responsibilities: (1) Study and make recommendations on strategic planning for the long-term development of the Company. (2) Study and make recommendations on major investment and financing plans subject to the Board of Directors' approval as stipulated in the Articles of Association. (3) Study and make recommendations on major capital operation and asset management projects subject to the Board of Directors' approval as stipulated in the Articles of Association. (4) Study and make recommendations on other major matters that affect the development of the Company, and (5) Conduct inspections on the implementation of the above matters.

The Strategy Committee consists of directors Wang Feng, Wang Lin, Sun Songtao, Liu Huirong, and Pan Ailing, with director Wang Feng as the convener.

 <p><b>Audit Committee</b></p>	<p>Main responsibilities: (1) Supervise and evaluate the work of external auditors. (2) Supervise and evaluate internal audits. (3) Review and express opinions on financial reports of listed companies. (4) Supervise and evaluate the effectiveness of internal controls. (5) Coordinate the communication in between the management level, the internal audit department, and relevant departments, with external auditors. (6) Determine the list of related parties of the Company and timely report to the Board of Directors and the Board of Supervisors, and (7) Review important related party transactions.</p> <p>The Audit Committee consists of Directors Pan Ailing, Li Wei, and Liu Huirong, with Director Pan Ailing as the convener.</p>
 <p><b>Nomination Committee</b></p>	<p>Main responsibilities: (1) Make recommendations to the Board of Directors on the size and composition of the Board of Directors considering the business activities, asset size, and shareholding structure of the Company. (2) Study the criteria and procedures for the selection of directors and officers and make recommendations to the Board of Directors. (3) Select eligible candidates for directors and officers. (4) Review and make recommendations on candidates for directors, and (5) Review and make recommendations on candidates for General Manager and other officers to be submitted to the Board of Directors for an appointment.</p> <p>The Nomination Committee consists of Directors Liu Huirong, Wen Decheng, and Zhang Qi, with Director Liu Huirong as the convener.</p>
 <p><b>Compensation and Assessment Committee</b></p>	<p>Main responsibilities: (1) Formulate compensation plans or programs based on the main scope, responsibilities, and importance of the management positions of directors and officers as well as the compensation levels of relevant positions in other related enterprises. (2) The compensation plans or programs include, but are not limited to, performance evaluation criteria, procedures and main evaluation systems, main programs and systems of rewards and penalties, etc. (3) Review the performance of the directors (non-independent directors) and officers of the Company of their responsibilities and conduct annual performance assessment; and (4) Supervise the implementation of the compensation system of the Company.</p> <p>The Compensation and Assessment Committee consists of Directors Wen Decheng, Pan Ailing, and Feng Baochun, with Director Wen Decheng as the convener.</p>





### Sustainable Development Committee

Main responsibilities: (1) Study the sustainable development (including but not limited to ESG) matters of the Company, identify and assess the significant risks and impacts of the sustainable development of the Company, strengthen risk management including ESG aspects, and make recommendations to the Board of Directors. (2) Monitor the Company's commitment and performance on key issues such as addressing climate change, safeguarding health, safety, and environmental protection, and fulfilling social responsibility, and make recommendations to the Board of Directors. (3) Review the Company's sustainable development policy and strategy, goals, measures, and related material issues, and supervise and check the implementation according to the sustainable development goals. (4) Review the Company's annual social responsibility report and make recommendations to the Board of Directors. (5) Pay attention to valuable information on sustainable development matters related to the Company's business, judge the important impact of ESG matters on various stakeholders, supervise, and study the Company's significant risks to safety and environmental protection, propose countermeasures and make recommendations to the Board of Directors; and (6) supervise the Company's disclosure of its fulfillment of social responsibility as required.

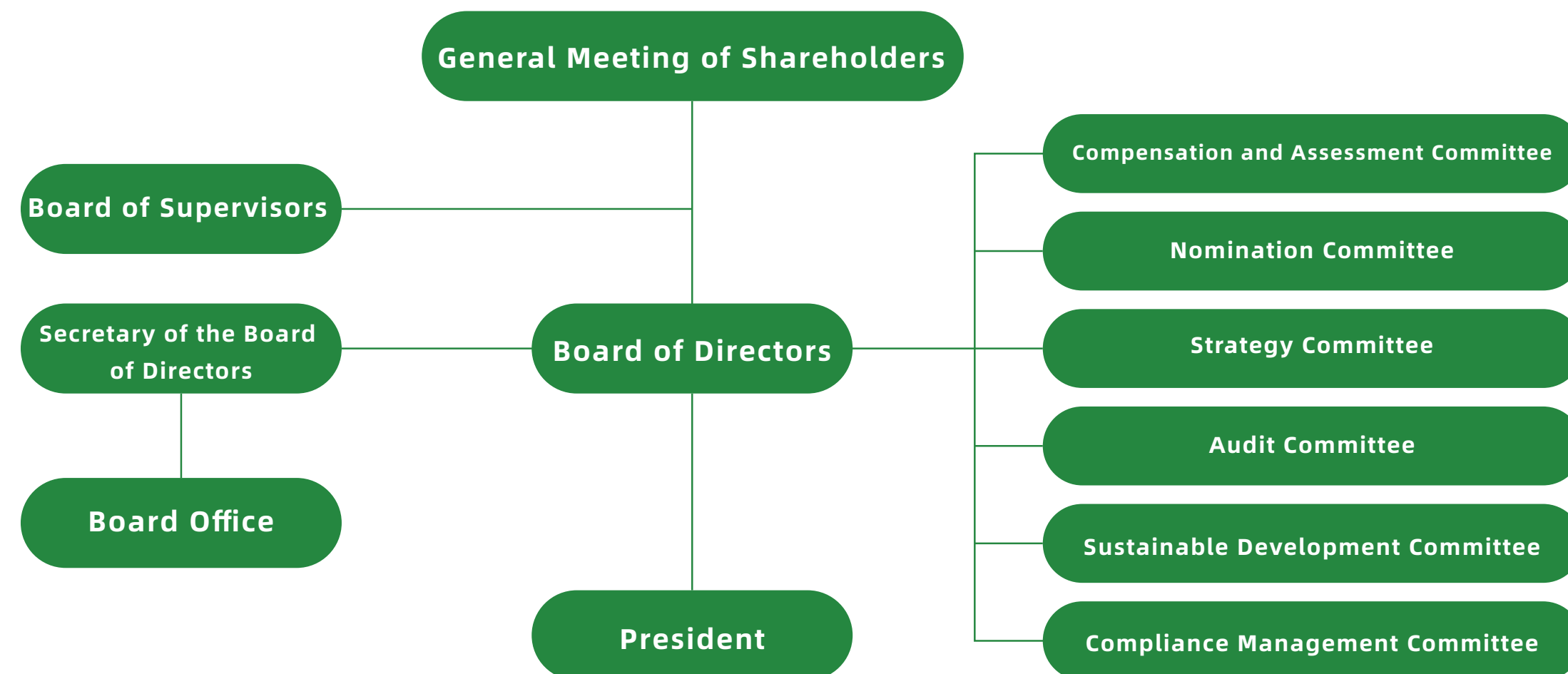
The Sustainable Development Committee consists of Directors Wang Feng, Sun Songtao, Li Wei, and Feng Baochun, with Director Wang Feng as the convener.



### Compliance Management Committee

Main responsibilities: (1) Guide and promote the compliance system's construction and supervise the compliance management performance of officers. (2) Clarify overall objectives of compliance management, deliberate, and give opinions on major matters such as strategic planning and basic systems of compliance management. (3) Promote improvement of the compliance management system and evaluate its effectiveness. (4) Be responsible for the appointment and removal of the Chief Compliance Officer and Overseas Affairs Compliance Officer of the Company. (5) Study and decide on major matters related to compliance management. (6) Supervise the construction of compliance culture. (7) Stop and correct non-compliant business practices in time and give treatment proposals for accountability of non-compliant personnel according to its authority, and (8) Other matters authorized by the Board of Directors.

The Compliance Management Committee consists of Directors Wang Feng, Sun Songtao, and Li Wei, with director Wang Feng as the convener.



## We nominate and select directors and officers according to the following criteria and according to laws, regulations, and other relevant provisions:

-  Qualified to serve as directors, supervisors, and officers of listed companies.
-  Independence as stipulated by the relevant laws and regulations of the CSRC and Shanghai Stock Exchange and the Articles of Association of the Company.
-  Basic knowledge of the operation of listed companies, familiar with relevant laws, administrative laws, regulations, and rules, and work experience necessary for their duties.
-  Ability to exercise judgment and supervision necessary for the independent and effective performance of duties.

We convene and hold the General Meeting of Shareholders in strict accordance with the requirements of the Company Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and the Rules of Procedure for General Meeting of Shareholders and other rules and regulations. In 2022, two sessions of the General Meeting of Shareholders were held, at which 27 proposals were deliberated; 14 sessions of the Meeting of the Board of Directors were held, at which 70 proposals were deliberated; and 11 sessions of the Meeting of the Board of Supervisors were held, at which 35 proposals were deliberated.





## INVESTOR RELATIONS MANAGEMENT (IRM)



Our Company actively maintains a good relationship with investors, especially public investors, and continues to improve diversified investor communication channels. We designate the Secretary of the Board of Directors as the person in charge of IRM, who actively carries out daily communication and reception work for investors through various forms such as announcements, General Meetings of Shareholders, briefings, telephone, fax, e-mail, exchange meeting, etc., and maintains close communication with investors to enhance investors' understanding and recognition of Linglong, to improve the level of corporate governance, to maximize the overall interests of the Company and management behavior that protects the legitimate rights and interests of investors, especially small and medium-sized investors.



In strict accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines on the Work of Listed Companies and Investor Relations, the Notice on Further Strengthening the Management of Investor Relations of Listed Companies and other relevant laws, regulations and regulatory documents, as well as the Articles of Association, the Company has, combining the actual situation, formulated the IRM System, which clarifies the basic principles and management contents of IRM and implements management responsibilities and processes, ensuring that IRM truly becomes a bridge for the Company to deliver value and for investors to discover value.



### [ Information disclosure ]

Information disclosure is the main channel for investors to understand the Company. We have always attached significant importance to information disclosure work. We disclose information in a timely and fair manner in strict accordance with the relevant laws and regulations of listed companies such as the Company Law, the Securities Law, and the relevant provisions of the Articles of Association, and guarantees that the information disclosed is true, accurate and complete and does not contain false records, misleading statements, or material omissions.

According to regulatory requirements, we disclose timely information in our regular reports, CSR reports, and interim announcements through the website of the Shanghai Stock Exchange (www.sse.com), China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, and also publish the latest company information on our website, official WeChat account and other windows, to ensure stakeholders of understanding of their concerns in a timely and comprehensive manner.

In 2022, we disclosed 4 periodic reports and 108 interim announcements through the above channels, effectively implementing and maintaining the accountability mechanism for information disclosure. In the annual information disclosure evaluation of the Shanghai Stock Exchange, we received the highest rating of A for three consecutive years, becoming the only company in the tire segment of Shanghai Stock Market to receive a rating of A for three consecutive years.

### [ Rights and interests of small and medium investors ]

Focusing on interactions with investors, we treat all shareholders fairly, protect the legitimate rights and interests of investors, especially small and medium-sized investors, and provide diversified and convenient communication channels. We introduce our operation situation, development strategy, and corporate culture to investors through telephone replies, on-site receptions, promotion roadshows, and email correspondence.

According to requirements of relevant regulations such as Opinions on Further Promoting Healthy Development Issuance in the Capital Market of the State Council, Opinions on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market of the General Office of the State Council, Guidelines on the Articles of Association of Listed Companies and other relevant regulations, we have formulated the Regulations on the Management of Separate Counting of Votes by Small and Medium-sized Investors and Regulations on the Management of Related Party Transactions, in conjunction with the Articles of Association and the actual situation of the Company. Information disclosure is done strictly abided to laws and regulators' requirements, to ensure the fulfillment of the principle of equal opportunity for investors in IRM.

In 2022, the Company won the "Gold Award for Investor Relations Management" by e-Panorama, and Wang Feng, Chairman of Linglong Tire, was awarded the "Best IR Chairman".



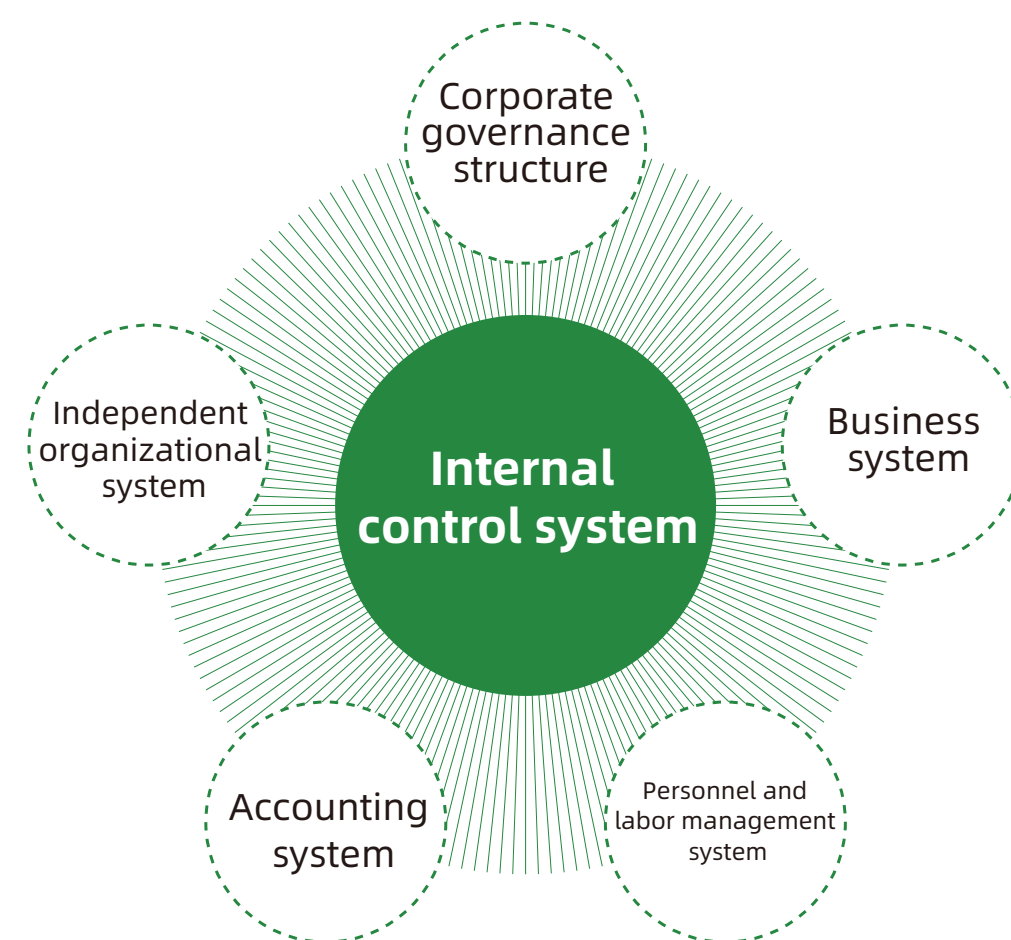




## INTERNAL CONTROL SYSTEM

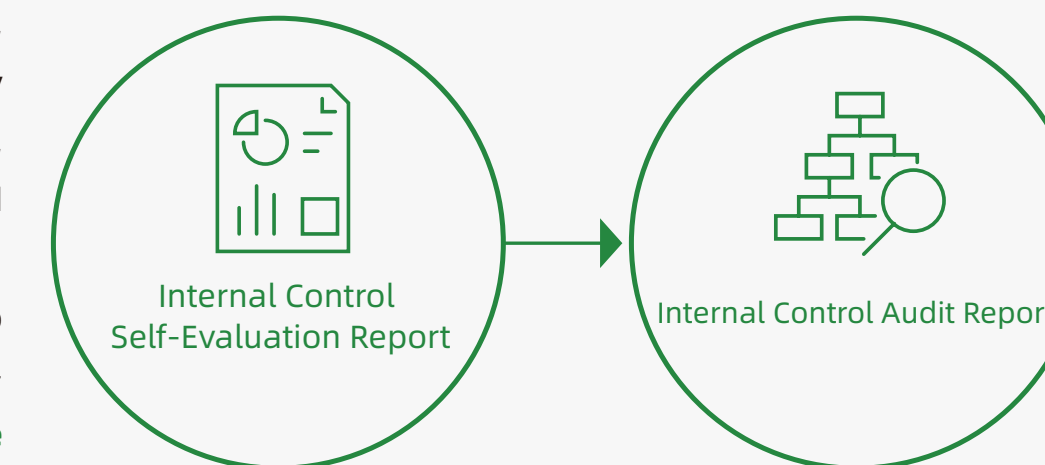
We have established an internal control system based on our organizational structure and operation model, including a corporate governance structure, an independent organizational system, a business system, an accounting system, and a personnel and labor management system. All business and financial processes of the Company and its subsidiaries are controlled by this system.

The Board of Directors and its Strategy Committee are responsible for risk management at the corporate level. The Audit Committee is established under the Board of Directors, with the Audit Division as its permanent body, responsible for company-wide internal control management, including identification of internal control deficiencies and monitoring of improvements, and independent supervision and evaluation of the control status of all operation activities of the Company.



According to the Basic Standard for Enterprise Internal Control and relevant regulations, the Audit Division organized all departments to conduct regular internal control self-inspection to discover and correct internal control deficiencies in time.

The Audit Division organized annual internal control self-evaluation, evaluated the design and operation of important risk areas and key control points according to the findings of daily and special evaluations, issued the Internal Control Self-Evaluation Report, and urged and paid attention to the status of rectification. The Company engaged an independent external accounting firm to conduct independent and objective evaluation of internal control operations and issued an annual Internal Control Audit Report. **There were no material internal control deficiencies in 2022.**



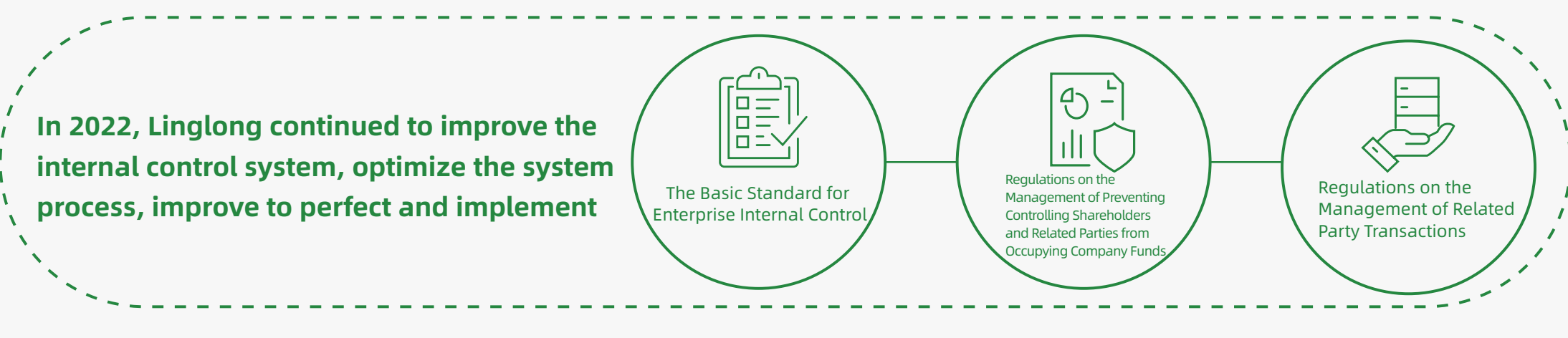
## COMPLIANCE MANAGEMENT

Compliance with laws and regulations is the basic requirement for sustainable business operations. By complying with the principle of operation with integrity and compliance with laws and regulations, we have established a sound law compliance system in the fields of incorruptible operation, fair competition, labor protection, environmental protection, information security, intellectual property protection, and consumer protection to ensure the legalization and standardization of our business activities. With the steady progress of our "7+5 strategy", we actively lay out our industry globally, and compliance management, especially overseas trade compliance, has become an important means for Linglong to achieve sustainable development as a multinational company.

We have established the Compliance Department, responsible for building our compliance management system. In 2022, to strengthen and standardize the compliance management of Linglong Tire and our subsidiaries in the process of overseas operation and development, establish a scientific and standardized overseas compliance system, effectively prevent and control overseas compliance risks, and better protect the sustainable and healthy development of Linglong Tire, we established the overseas compliance system of Linglong Tire, and prepared the Overseas Compliance Manual of Shandong Linglong Tyre Co., Ltd. as a general policy guidance to carry out overseas business, according to the Code of Conduct for Overseas Investment and Operation of Private Enterprises, Guidelines for Compliance Management of Overseas Operation of Enterprises and other relevant regulations, as well as the relevant policies of Linglong Tire, combined with the practical operation and experience and lessons of the enterprise. In addition to continuous implementation of the Trade Compliance Management Regulations, we have also established special guidelines on compliance in key areas such as data compliance, overseas investment, labor and employment, environmental protection, supplier management, anti-corruption, and anti-bribery, and formed an overseas compliance management system covering all important compliance areas. **During the reporting period, the Company was not involved in any litigation cases related to anti-competitive behavior, or violation of antitrust and antimonopoly laws.**

Operation and supervision of the internal control system of the Company includes self-inspection, self-evaluation, and audit. According to the regulatory requirements of listed companies and the actual situation of the Company, we have formulated an annual internal control standard construction plan and organized its implementation.

To ensure the legal compliance of operation and management, the safety of assets, and the truthfulness and completeness of financial reports and related information, in 2022, we continued to improve the internal control system, optimize the system process, improve to perfect and implement the Basic Standard for Enterprise Internal Control, Regulations on the Management of Preventing Controlling Shareholders and Related Parties from Occupying Company Funds, Regulations on the Management of Related Party Transactions and other internal control management regulations to provide system guarantee for the operation of the internal control system.







## Incorruptible operation

By strictly complying with the [Anti-Unfair Competition Law of the People's Republic of China](#), the [Provisional Provisions on Prohibition of Commercial Bribery](#), the [Anti-Money Laundering Law of the People's Republic of China](#) and other laws and regulations of the People's Republic of China and other countries or regions where business operations are located, including all laws and regulations on prevention of bribery, extortion, fraud and money laundering, anti-unfair competition, etc., we have established and continue perfecting an anti-corruption system to prohibit all commercial corruption, commercial bribery and acts that harm the interests of the Company.

Integrity is the bottom line of our operation. We not only put forward requirements of integrity to our employees and request for signature on the [Commitment of Integrity and Self-discipline](#), but also ask all our business partners to sign the [Firm Shield Agreement](#), to restrain their integrity behavior, improve their awareness of compliance with the law and integrity, and promote win-win situation of "quality for cooperation, reputation for the market, and integrity for development". In 2022, the signing rate of the [Commitment of Integrity and Self-discipline](#) for our regulatory agency was 100%, the signing rate and training rate of the [Commitment of Integrity and Self-discipline](#) for employees was 100%, and the signing rate of the [Firm Shield Agreement](#) for business partners was 100%.

In 2022, the signing rate of the [Commitment of Integrity and Self-discipline](#) for our regulatory agency was 100%

In 2022, the signing rate and training rate of the [Commitment of Integrity and Self-discipline](#) for employees was 100%

In 2022, the signing rate of the [Firm Shield Agreement](#) for business partners was 100%



Year	Number of participants in training	Number of commitments signed	Number of participants in the integrity examination	Number of interviewees	Number of cadres examined
2021	5977	5977	980	13000	1200
2022	19000	18534	1050	14000	1300

In addition, in 2022, in conjunction with the global layout of our "7+5 strategy", we prepared and released the [Anti-Commercial Bribery/Anti-corruption Guidelines for Overseas Compliance System of Shandong Linglong Tyre Co., Ltd.](#) to standardize the compliance behavior in the process of overseas operations.

**In 2022, the Company was not involved in any litigation cases related to corruption.**

In 2022, we carried out three compliance training sessions related to compliance management, with a total training duration of 5.5 hours, including risk prevention awareness training for management cadres and special compliance training for business departments. The training gave everyone a deeper understanding of concept and value of compliance, common compliance risks and countermeasures during operation, ideas for responding to corporate compliance and regulatory crises, and key points of overseas compliance system construction, and provided support for effective promotion of the system.

[Case] In 2022, we hired an external lawyer to conduct one overseas compliance mobilization training session for our cadres and managers, focusing on [Corporate Overseas Compliance and Risk Prevention](#). Enabling employees' acknowledgement about anti-commercial bribery, through case studies, examples of violations and compliance situations, etc. .

In 2022, the Legal Department conducted seven training sessions on topics of [Civil Code](#), [Contract Management Regulations](#), [Analysis of Typical Cases](#) and [Risk Prevention and Proactive Protection of Rights](#) for all departments relevant to contract signing. Through the training, we standardized the process of contract performance, strengthened the management and supervision of contract performance, and prevented legal risks in contract performance. In 2022, we received 27 cases of contract disputes, 12 of which were initiated by our Company to protect our legitimate rights and interests.

**In 2022, the company received a total of 27 contract dispute cases, among which 12 cases were initiated by the company in order to protect the legitimate rights and interests of the company.**



27 contract dispute cases



12 active prosecution cases

Since 2022, we have tightened our grip on the contract management process, standardized compliance organization training, studied laws and regulations, prevented risks in business operations, and put all management on a formalized and standardized track. In 2022, the litigation cases and contract disputes decreased by 13.5% compared with the same period of the previous year.

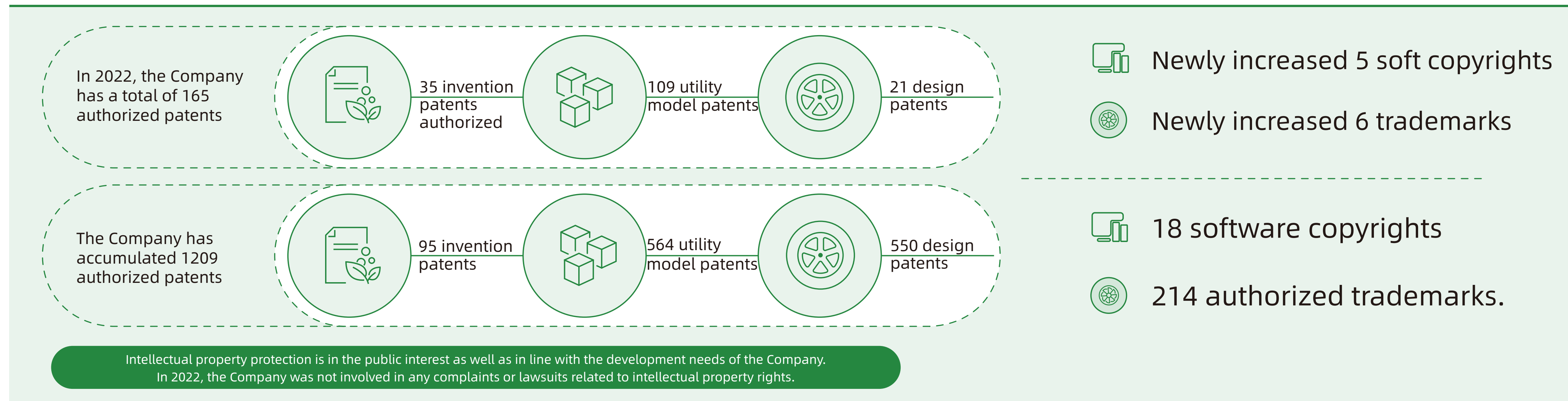






## Information security and intellectual property protection

In 2022, improvements were made on our Company's network security access system, virus protection system, and data encryption system, building a three-in-one information security framework, protecting data security of the Company's business systems and terminals. Furthermore, we implemented online process for system launching and major changes, achieving full process tracking and risk control.



## Customer privacy protection

We are committed to strictly protecting user data and all other sensitive information, and to prevent leakage. By complying with the requirements of applicable laws and regulations in relevant regions where we operate, we have established privacy protection-related policies applicable to Linglong, and have signed confidentiality agreements with our business partners to ensure that customer information is protected properly.

All information of our customer account establishment are adjusted in SAP and managed by dedicated personnel. **In 2022, no leakage of customer privacy was occurred.**



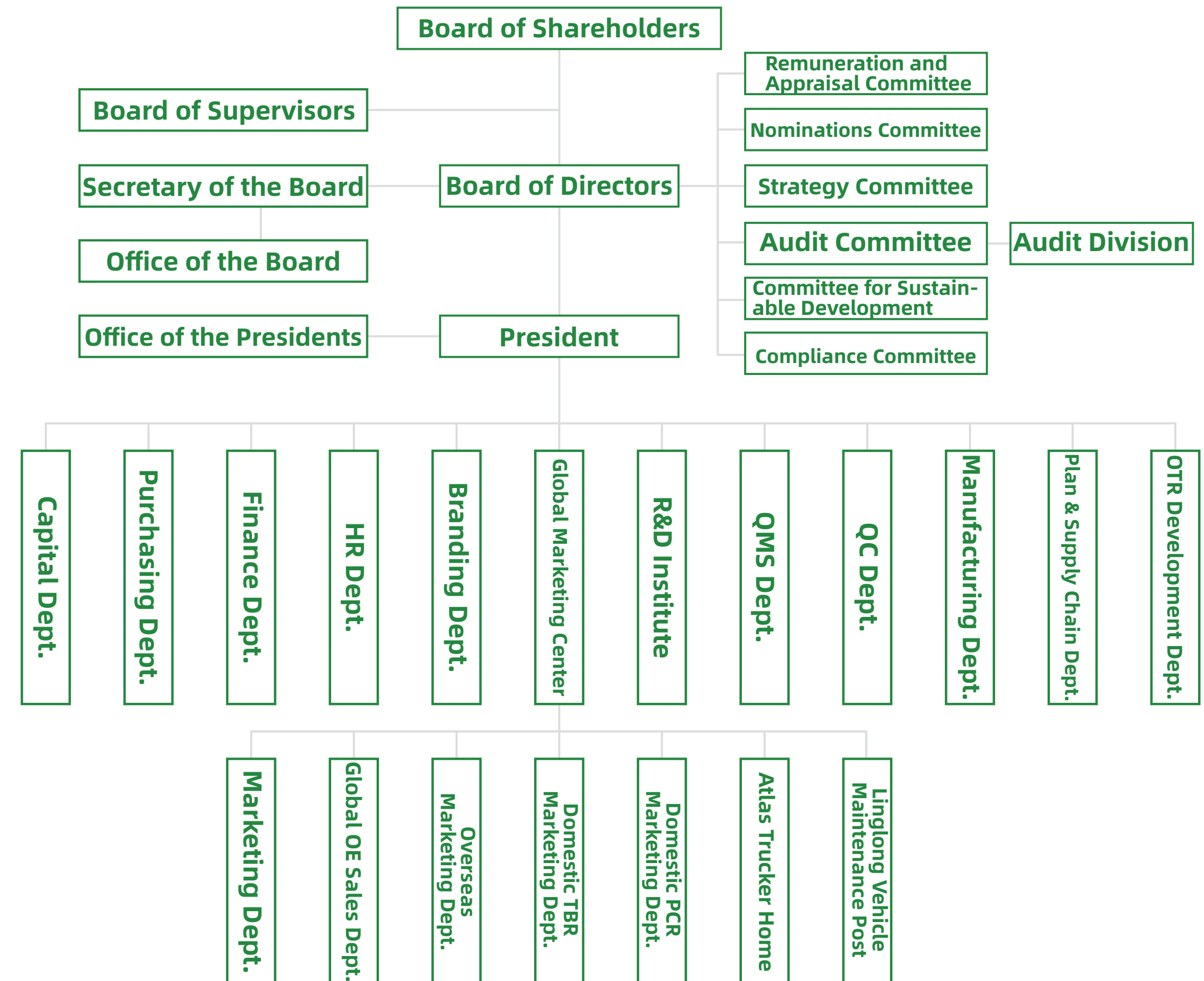


## CORPORATE OPERATIONS

The top management level of the Company currently has eight members, consisting of the President, the Vice President, the Chief Financial Officer, and Secretary of the Board of Directors. To improve our management efficiency and management level, the Working Rules of the President have been formulated according to our actual situation. By strictly complying with relevant provisions and requirements of laws, administrative regulations, departmental rules, other regulatory documents and the Articles of Association, faithfully performing our duties, and fulfilling our obligations of integrity and diligence, the management level of the Company has established and improved a unified, efficient, united, solid and strong organizational system and working system, to eliminate all cases that harm the interests and the management mechanism of the Company.

### Directors, supervisors, and officers of the Company

Name	Gender	Position
Wang Feng	Male	Chairman and President
Wang Lin	Male	Director
Liu Huirong	Female	Independent Director
Wen Decheng	Male	Independent Director
Pan Ailing	Female	Independent Director
Zhang Qi	Male	Director
Sun Songtao	Male	Director, Vice President, and Secretary of the Board of Directors
Li Wei	Male	Director, Vice President, and Chief Financial Officer
Feng Baochun	Male	Director and Vice President
Cao Zhiwei	Male	Supervisor
Zhao Huarun	Male	Supervisor
Zhang Weiwei	Female	Supervisor
Lyu Xiaoyan	Female	Vice President
Chen Xuemei	Female	Vice President
Li Jianxing	Male	Vice President
Yu Hang	Male	Vice President



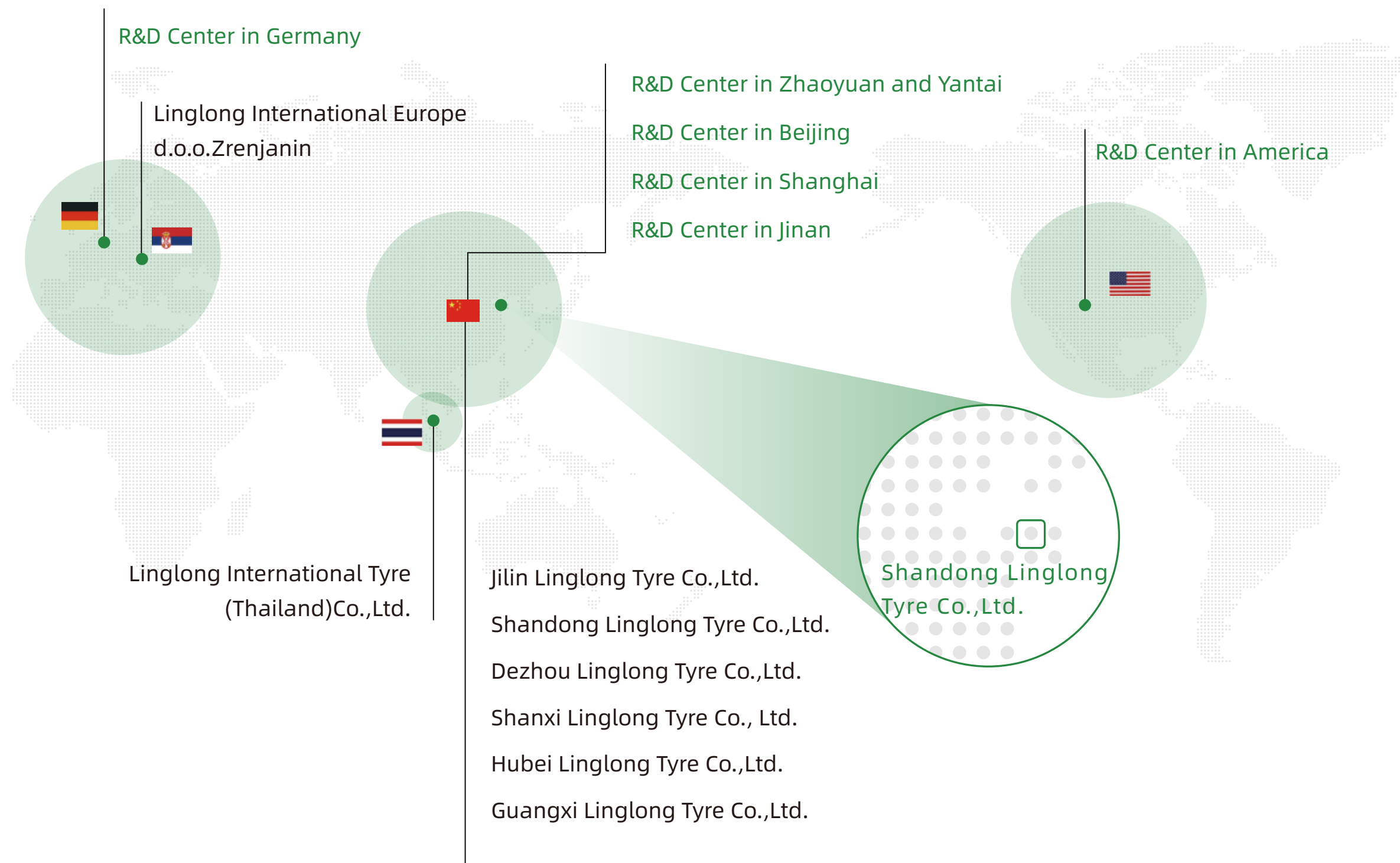




We currently have 7 R&D facilities, 7 manufacturing bases, and 18,534 employees worldwide, formed "LINGLONG", "LEAO", "ATLAS" "EVOLUXX" and other differentiated brands facing the global market, to meet diversified needs of different consumers. At present, we have nearly 100,000 marketing outlets around the world, including more than 8,600 brand stores. Our tire products are sold to 173 countries, and our market business covers Europe, the Middle East, the Americas, Asia Pacific, Africa, and other major regions around the world, with a more balanced distribution of the global sales network on all continents, achieving a fully covered sales network system. We provide OE services for more than 200 manufacturing bases of more than 60 OEMs worldwide, such as Volkswagen, Audi, BMW, GM, Ford, Honda, Nissan, SAIC-GM, Hongqi, Wuling, BYD, Geely, Chery, Great Wall, GAC, SCANIA, MAN, Foton Daimler, Faw Jiefang, CNHTC, SHACMAN, FOTON, Dongfeng, CIMC, etc. We have entered the OE system of 7 of the top 10 global auto companies, providing OE services for global key car series from German, European, American, Japanese, etc. We have provided OE services for auto companies with a total of more than 200 million OE tires, ranking first in domestic OE tires for many years.

To promote the high-quality layout of the global industry and enhance the core competitiveness of our brand in the international market, we accelerated the global layout of our "7+5 strategy" (7 manufacturing bases in China and 5 overseas manufacturing bases) and built a localized supply chain in 2022., to lay out global R&D institutions and manufacturing bases, to improve the efficiency and effectiveness of supply to automakers and to reduce operating costs. At present, we have five manufacturing bases in China, namely Zhaoyuan, Dezhou, Liuzhou, Jingmen, and Changchun, and plan to build our sixth and seventh manufacturing bases in Tongchuan, Shaanxi Province, and Liuan, Anhui Province. We also have two overseas manufacturing bases in Thailand and Serbia. In the future, we will continue to explore the global tire market, maintain our strategic determination and march steadfastly toward our medium- and long-term development goal of 2030.

Project	2020	2021	2022
Total revenue (RMB 10,000)	1,838,272	1,857,922	1,700,589
Tax (RMB 10,000)	53,763.15	48,367.85	21,013
Operating costs (RMB 10,000)	1,367,249	1,537,226	1,469,096
Net profit (RMB 10,000)	222,027	78,856	29,179
Earnings per share (RMB)	1.82	0.58	0.20
R&D investment (RMB 10,000)	76,340	93,409	74,793
Investment in environmental protection and safety (RMB 10,000)	7,541	7,398	8,771



### Brands of the Company







5

# PRODUCT RESPONSIBILITY AND INNOVATION

26 QUALITY MANAGEMENT SYSTEM

29 INNOVATIVE R&D

30 INTELLIGENT CONSTRUCTION

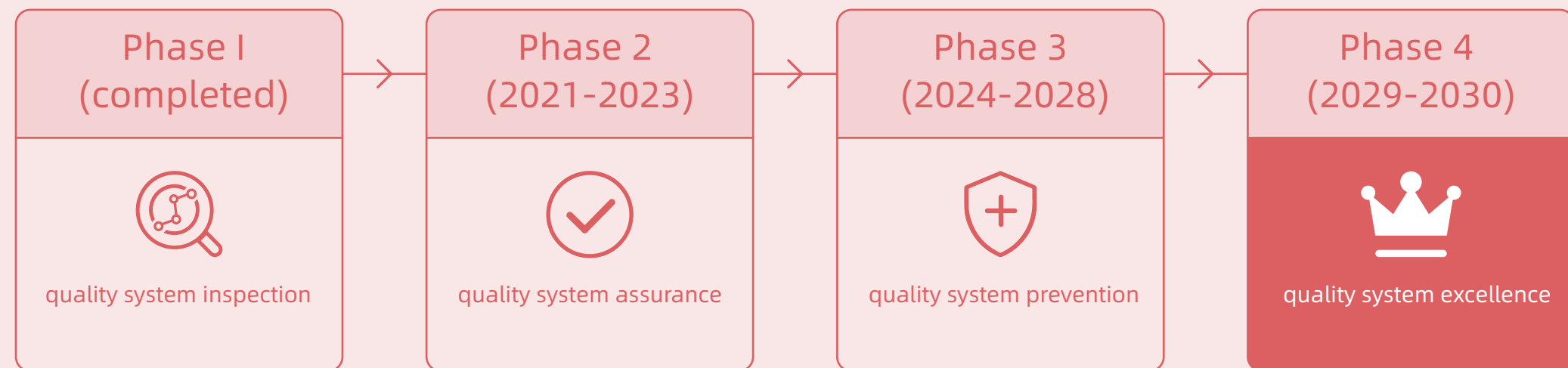
31 INTEGRATION OF INDUSTRY AND RESEARCH







▶ Adhering to the quality policy of "excellent quality, excellent service, credibility-based, customer satisfaction" and the concept of "all for the market, all for the user", we have set a quality management goal: We aim on reaching the world's leading level of excellence in quality management by 2030. To achieve this long-term goal, we have developed short-, medium- and long-term plans, including:



## QUALITY MANAGEMENT SYSTEM

### Construction of management system

To achieve the milestones, we have, by taking the three aspects, including system assurance, product quality, and satisfaction enhancement as the means, implemented specific measures to ensure that the goals are reached as scheduled.

#### System assurance

control plan-based identification and control of key quality characteristic elements. At present, bases in Dezhou, Guangxi, Hubei, Zhaoyuan, and Thailand have obtained IATF16949:2016 certification, and the base in Jilin has obtained IATF16949:2016 declaration of conformity. In addition, all the above bases have obtained ISO9001:2015 certification.

### IATF16949: 2016 certificate





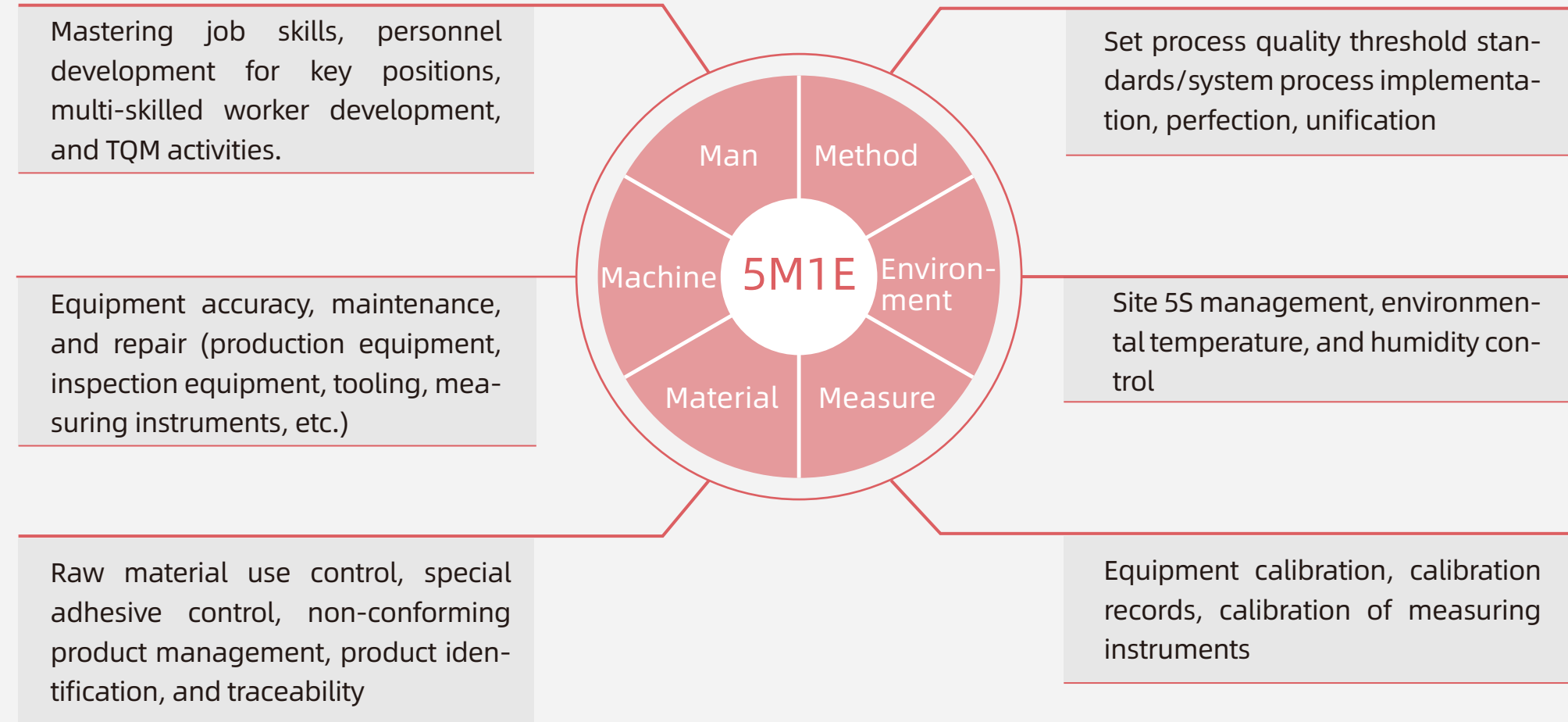


## ISO 9001:2015 management system certification certificate



## Product quality improvement

from the production of products that meet standards to the production of products that meet the needs of users, we control the quality of products from six aspects: man, machine, material, method, environment, and measurement.



## Satisfaction enhancement

both in terms of employee satisfaction and customer satisfaction.

- ▶ **Employee satisfaction:** Improve the site operating environment and reduce labor intensity, reduce employee complaints, and improve satisfaction from ambient temperature, working space, and operation comfort.
- ▶ **Customer satisfaction:** Establish a database for customer complaint cases in the market, to grasp customer requirements in real-time, clarify the responsible subject, process tracking and analysis at each level, and assign designated person to verify the effectiveness of the implementation of measures. We also provide training on market issues, control defective systems, research and develop intelligent detection of appearance.

By improving manufacturing standards, increasing R&D capabilities, enhancing product performance, strictly controlling quality, focusing on detail management, and vigorously promoting lean production and fine management projects, we have continuously consolidated product quality, and ensured a highly stable and leading level of product quality, winning several honorary titles such as the Shandong governor Quality Award, and China Market Quality AAA (Customer Satisfaction Benchmark Enterprise) Award. In October 2022, the Company won the Yantai Mayor Quality Award.







## Continuous improvement

To ensure safety performance of products, we have established a perfect quality management model, adhering to the principle of quality first, focusing on the quality management ideas of zero defects, source management, full participation, and continuous improvement. We have realized the quality management of the full life cycle through supplier management, process management, and system operation management, from warehousing inspection of raw materials, process control during production, inspection of finished product, and outbound inspection, to ensure that we always provide products and services with satisfactory quality, safety, and reliability for customers.

To achieve product improvement and innovation and continuous improvement, we have established an improved project management system. Through the establishment of a cross-departmental organization, proposals and projects of technological innovation, management innovation, training and development, and research projects are established and implemented. Projects evaluated to be valuable are standardized and promoted to achieve continuous improvement. In 2022, there were 4,656 improvement results and RMB 48.79 million of improved financial results.



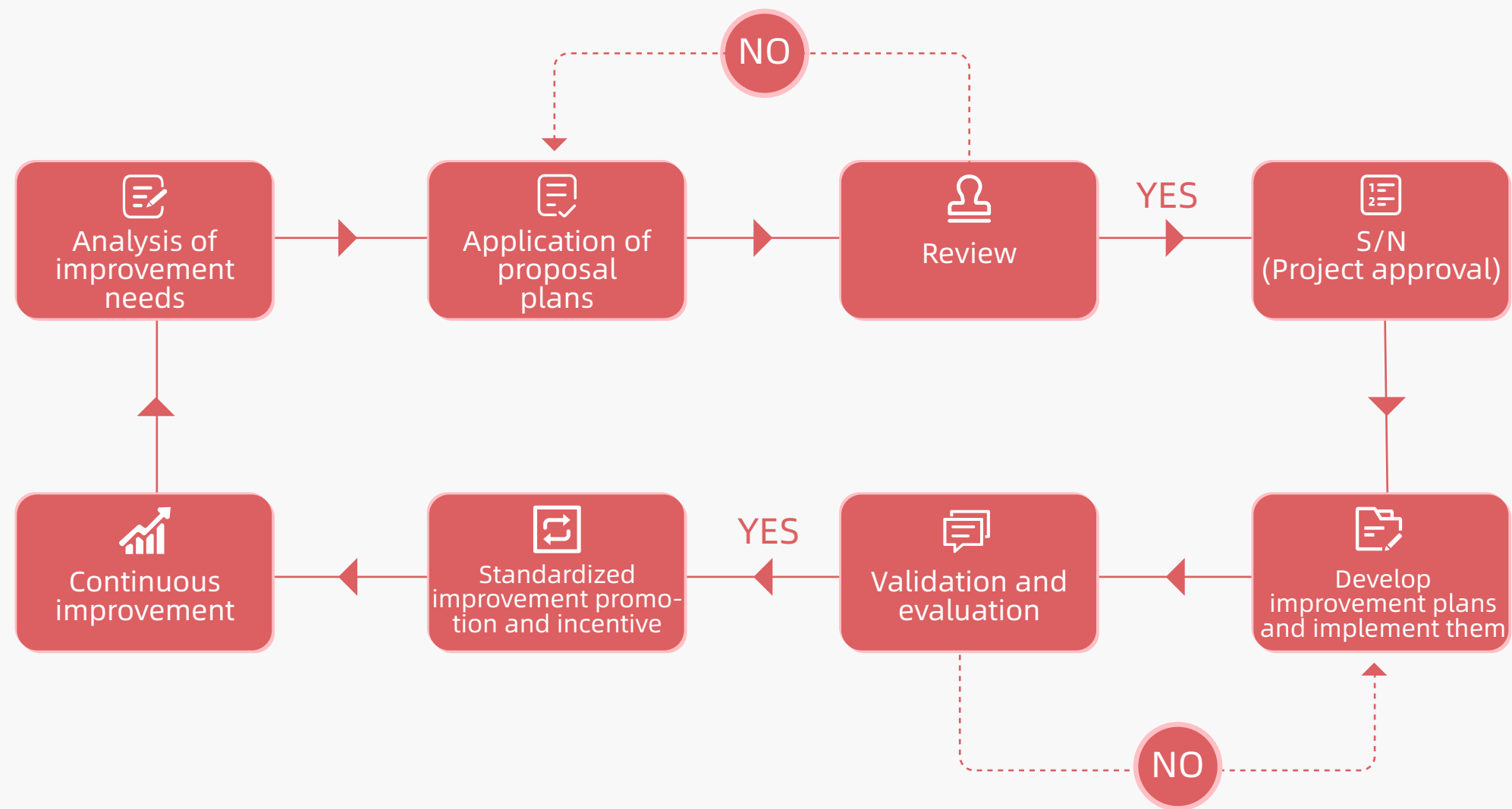
**RMB 48.79 million**

In 2022, a total of RMB 48.79 million financial improvements were made throughout the year



**4656 items**

A total of 4656 improvement achievements were achieved throughout 2022



## Four-new factories



According to the "Green, Clean, Civilized, Lean" Factory Construction Guide of Linglong Tire, and the "1524" Overall Promotion Plan, that is, the headquarters, taking Zhaoyuan Factory as a pilot, takes the lead in building "four-new factories", while the subsidiaries, taking Hubei Linglong and Changchun Linglong as pilots, and then gradually expand to Dezhou Linglong, Guangxi Linglong, Thailand Linglong, and Europe Linglong. Insisting on "green" as the solid foundation, "clean" as the barrier, "civilization" to build the image, and "lean" as the strong power, and taking 5S management and visual management as the foundation, we will build the brand image of Linglong as an international company, to improve the overall competitiveness of the Company.



By promoting the construction of "four-new factories", the management standards and site environment has been improved and upgraded. Linglong has been awarded with the honorary title of "National Site Management Star Rating - Four Stars" issued by the China Association for Quality.





## INNOVATIVE R&D

### Linglong Tire, gathering global wisdom

- ▶ We have set up R&D institutions in Zhaoyuan headquarters, Yantai, Beijing, Shanghai, Jinan, Germany, and the United States, establishing a globalized open R&D innovation system covering "three countries and seven regions". We own a national industrial design center, a nationally recognized enterprise technology center, and a nationally recognized laboratory, and set up the "TKS Rubber Technology Development and Innovation Alliance", a post-doctoral workstation, and an academician workstation. We further built the first noise laboratory and low rolling resistance laboratory in the industry, as well as cutting-edge scientific research and innovation platforms such as the tire NVH laboratory and dynamics laboratory. Linglong Group, the controlling shareholder of the Company, has invested in the construction of Sino-Asia Tire Proving Ground, China's first and world-class comprehensive large-scale tire proving ground, with the highest international standards in cooperation with IDIADA Spain. The proving ground is provided with advanced dynamics facilities, NVH testing equipment, and the world's leading driving simulator in cooperation with global famous enterprises is put into application, to promote the application of virtual reality tire design research, and to improve product performance and R&D efficiency.
- ▶ By the end of 2022, we have participated in the development and revision of 142 international standards, national standards, industry standards, local standards, and group standards, of which 22 were organized by the Company.
- ▶ With the leading scientific research strength, we have successfully developed graphene-reinforced tread tires, 3D printed tires, racing tires, run-flat tires, low-odor tires, TKS tires, etc.
- ▶ We accumulated two national science and technology awards, including the Second Prize in National Technology Invention and the Second Prize in National Science and Technology Progress. In 2018, we won the China Industry Award, the highest industry award in China. By the end of 2022, the Company holds 1,209 validly authorized patents, and the number of patents holdings ranked among the top Chinese tire companies.

Established a globalized R&D innovation system covering "three countries and seven regions"

Lead the revision of 22 standards

Leading scientific research strength

1209 authorized patents

### Innovation-driven to create world-class technology

To implement the 2030 medium- and long-term development strategic plan of the Company, we focus on the implementation of the innovation-driven development strategy. In 2022, our achievements are made in research and development of new materials, technologies and formulations, around key technology research, bottleneck technologies, and frontier technology breakthroughs. Our level of independent innovation capability was further enhanced, which lays a solid foundation for reaching the level of international first-class tire enterprise by 2030.

#### Innovation of recyclable and renewable skeleton materials

Based on the vision of sustainable resource utilization and our long-term goal of carbon neutrality, we have launched the development project of recyclable and renewable skeleton materials for tire manufacturing, which is expected to complete the development and application of recyclable and renewable materials on all skeleton materials used in cap ply, belt, carcass, and bead wire in tires by 2025.

R&D direction	Material transformation
Bio-based - Fiber cord	100% petroleum-based → 55% petroleum-based + 45% bio-based
Recyclable - Polyester cord	100% petroleum-based → 100% used clothing or 100% used mineral water bottles
Recyclable - Steel wire	100% iron ore → 60% scrap steel + 40% iron ore

#### bio-based materials

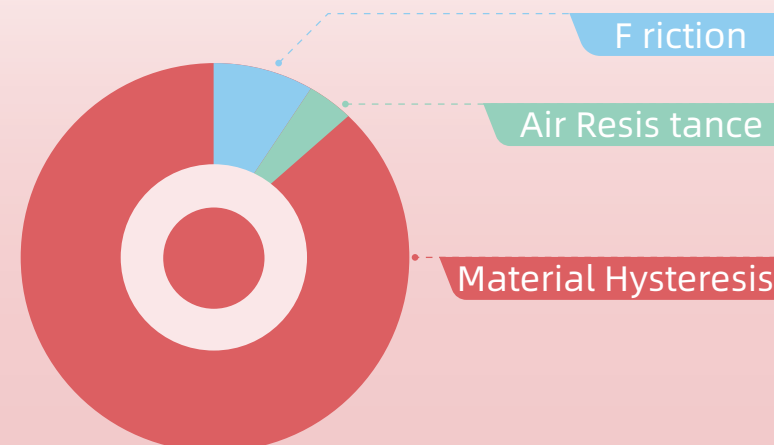
For bio-based materials, we select bio-based rubber (TKS rubber, natural rubber, epoxidized natural rubber, Eucommia rubber), bio-based plasticizer (vegetable oil, biological accelerator), bio-based reinforcing agent (rice husk ash silica, biological carbon, wet rubber) combined with tire recycling materials. Each component formula is jointly optimized and combined with skeleton material to achieve a percentage of 51.8% of bio-based materials in 205/55R16 size tires, realizing the technology reserve for carbon neutrality.





## Development of tires with low-rolling resistance

▶ We actively promote the development of low-rolling resistance products, establish a perfect low-rolling resistance development system accordingly, and are committed to realizing CO2 emission reduction in the full life cycle of fuel vehicles.



### Analysis of tire rolling resistance component factors:

- 90%-95% of internal friction of rubber
- Pavement friction of 2%-10%
- Tire-air resistance of 1%-3%

### ▶ Case: Joint experiment of TBR tires with ultra-low-rolling resistance

With the development concept of green economy, we promote the development of technology in the field of new energy and help to pursue the goal of "zero emission". The rolling resistance of the product Eplus01 has reached EU label class A, which is at least 35% lower than the rolling resistance of common class D product. In 2022, we worked with the U.S. engine giant to carry out joint fuel consumption vehicle test, completely using tires with ultra-low-rolling resistance, we achieved fuel savings of 3.56L per 100 km (8.65% savings). For tractors with an annual mileage of 200,000 km, the use of Eplus01 products can save 7,120L of fuel per year, and reduce carbon dioxide emissions of about 18.7 tons (carbon dioxide emissions of about 2.63kg for 1L diesel combustion).

### ▶ Case: Low-rolling resistance technology for tires of passenger cars

In 2022, the R&D Center achieved remarkable results in the development of tires with low-rolling resistance for passenger cars, reaching EU label class A. Compared with its predecessor, the rolling resistance of the tire was significantly reduced, which in turn reduced the fuel consumption and CO2 emissions of the vehicle.

- Low-rolling resistance
- Aerodynamic optimization
- Low-rolling resistance
- Low-rolling resistance skeleton



## INTELLIGENT CONSTRUCTION

### Seize the opportunity to fully promote intelligent transformation

- ▶ Based on accelerating industrialization process, we implemented EPF flexible manufacturing model, to realize inter-connection of supply chain, manufacturing chain, and marketing chain, and to achieve the fastest delivery under lowest cost, highest efficiency, and best inventory. In the field of intelligent manufacturing, industrial robots, laser AGVs, EMS, and other intelligent equipment are widely used to effectively reduce the dependence of factories on employees and ensure production continuity, product quality uniformity, and stability.
- ▶ In 2022, we continued to make efforts in digital and intelligent segments, with a total investment of RMB 91,875,800 in renovation projects, focusing on construction of systems such as intelligent cloud platform, business process management (BPM), big data platform, production and sales balance system. In the construction of artificial intelligence (AI) management system, we organically integrated big data, industrial cloud, and visualization decision-making, and established our own industrial brain and industrial Internet, which truly brought Linglong into a new era of comprehensively building digital management and digital decision making, realizing with full life cycle management of products and an intelligent industrial ecosystem.

### ▶ Case: Big data platform

- At present, our big data platform has collected data covering nearly 10 business systems including SAP, MES, CRM, WMS, TMS, SRM, TDM, BPM, new retail, etc. Meanwhile, in terms of data application, we have monitored and subject analyzed more than ten cases, including after-sales, quality, production, warehousing, operation, new retail, spare parts, cost, finance, raw materials, energy consumption, logistics, etc. The development and application of more than one hundred of functional interfaces, providing system service support for production, quality control, procurement, warehouse management, materials management, sales, finance, and other business departments.
- With the deepening of big data functions and the spreading of business coverage, our business departments have put forward higher requirements for big data platform applications. Combined with overall informatization planning, future construction of the big data platform will start from four aspects, including improvement of data quality, in-depth special analysis of business, construction of whole business Linglong data chain, and construction of artificial intelligence prediction capability, as well as formulation of Linglong Big Data Platform Planning to comprehensively help the advancement of informatization.





- For the procurement of Linglong spare parts, the Information Technology Department (IT) promoted construction of a procurement analysis module, integrating data from multiple systems such as BPM, SAP, SRM, and WMS, aiming at realizing transparency and traceability of the entire procurement process and support managers' auxiliary decision-making. We have completed multi-dimensional and multi-angle monitoring and analysis of the procurement process, through four functional modules, including procurement process, comprehensive analysis of procurement orders, procurement monitoring, and special analysis for suppliers, salesmen, demand departments, etc. Moreover, based on big data analysis, machine learning, and other technologies, we can process early prediction of problems that will occur, early detection of problems that have occurred, and early feedback, to help managers for convenient, fast, and accurate decisions. In addition, we have realized data interconnection of the four systems for the procurement module, improved procurement efficiency, promoted production optimization, saved production costs, and maximized benefits through the integrated monitoring of the entire process.

### ► Case: Production and sales balance management project based on APS system

- From "Integration of informatization and industrialization" to "Made in China 2025", innovation and transformation have become an irreversible trend of manufacturing development in China. In the context of new era of intelligence and "carbon peaking and carbon neutrality" strategic goals, it is of great theoretical and practical significance to carry out research on intelligent manufacturing innovation in the tire industry. Actively responding to our national policy, we have actively carried out the production and sales balance platform construction and have now realized the coordination and unification of long-term orders, inventory, and production capacity, improving the utilization rate of human power, material, and other resources.
- By studying the APS algorithm engine for job scheduling, we used a combination of the Theory of Constraints (TOC) and genetic algorithms to construct APS scheduling rule engine. TOC solves the problem of multi-processes, multi-constraints, and complex processes in the tire industry. With a global search method combined with genetic algorithms to solve large-scale computational problems, we obtained a scheduling plan optimization solution from an infinite number of feasible solutions to the scheduling results. The scheduling rule engine developed accordingly retained the advantages of APS-constrained resource optimization and hierarchical planning system, while overcoming the shortcomings of the traditional APS of lacking adaption and flexibility.
- Under the constraints of "man, machine, material, method and environment", production capacity information is dynamically analyzed through on site real-time data collection, enabling production capacity information to be adjusted dynamically according to actual output in real-time. It also enables automatic and dynamic adjustment of production scheduling through real-time capacity data, equipment status, tool status, personnel status, material inventory information, etc. It allows higher execution of production scheduling and more accurate delivery.

- The production and sales balance system gives a representation method based on a product process tree through the establishment of multi-resources manufacturing resource management framework, starting from multi-species and multi-volume production model, demand forecasting and production planning, etc. . Further combining with bottleneck resources, key process paths (vulcanization, tire building, tread rubber, sidewall rubber, inner liner rubber, bead, wire ring, 15-degree cutting, 90-degree cutting, steel belt calendaring, fiber calendaring, and other processes) are being introduced. The production process is analyzed according to various constraints such as product production process, limited production capacity, availability of raw materials, priority changes, production machine condition, etc., and the processing load calculation method under probability distribution is given. In addition, combined with TOC and genetic algorithm, we obtain a series of feasible scheduling plans while finding an optimal production scheduling plan, and eventually achieve MTO/MTS hybrid production model.



## INTEGRATION OF INDUSTRY AND RESEARCH

According to our own characteristics and strategic layout of the business, we focus on the theme of green and sustainable development and future-oriented advanced technology, and established research centers with research institutes and universities, by providing funds and equipment. We also combined with our advantages to jointly promote the innovative development of enterprises and achieve mutual benefit and win-win situation. Since 2019, we have signed and completed more than 396 cooperation agreements with universities and research institutes such as Tsinghua University, Shanghai Jiao Tong University, Beijing University of Chemical Technology, South China University of Technology, Jilin University, Shandong University, Jiangsu University, Taiyuan University of Science and Technology, Qingdao University of Science & Technology, and Qingdao Institute of Bioenergy and Bioprocess Technology of Chinese Academy of Sciences (within which 186 in 2019-2020, 138 in 2021 and 72 in 2022). These agreements involved mechanism research, intrinsic modeling, and finite element simulation of bio-based materials including vegetable oil and bio-rubber, nanomaterials such as graphene, advanced tires such as TKS tires and power generation tires, and rubber damage, as well as tire-related environmental technology development and index control, etc., covering a wide range of research content, from mechanism to performance, from materials to products, which will be a useful supplement and support for the construction of the material innovation system of the Company.







The "Key Laboratory of Green, Energy-saving and High-performance Tire Materials Industry" was jointly established by Linglong Tire and academician Zhang Liqun's team from Beijing University of Chemical Technology, certified by the China Petroleum and Chemical Industry Federation. Since its official launch on June 18, 2017, it has enabled us to open the research of basic application and frontier common technology in the field of new materials for green, energy-saving and high-performance tires, relying on the strong R&D system of Linglong Tire and the innovative strength of the industry expert team. It was of great significance to help the sustainable development of the industry, solve the critical technologies needed by enterprises, and promote the frontier performance research of green, energy-saving, and low-carbon tires.



On July 9, 2022, the Key Laboratory of Green, Energy-saving, and High-performance Tire Materials Industry

The Fifth Report Meeting on the Work of the Expert Committee

With the introduction of the national policy of "carbon peaking and carbon neutrality" and the change of industry development demand, Linglong increased the research application of green bio-based materials and high-performance materials, and the research of new materials such as epoxidized natural rubber and polyurethane super elastomer. Linglong Lab was involved the identification of itaconic acid ester rubber and biodegradable bio-based co-polyester rubber, as well as the closing acceptance of two national projects on bio-based and silicone rubber. In addition, we actively promoted the declaration of national key R&D projects on bio-natural rubber, synthetic rubber, and bio-based synthetic rubber, which have been approved. Moreover, we continued to deepen the research of the TKS project and bio-based itaconic acid ester project, actively promote the development of bio-based degradable co-polyester rubber and the application of epoxidized natural rubber, and actively build a green manufacturing industry chain for the full life cycle of tires.



The "TKS Rubber Technology Development and Innovation Alliance" was initiated by Linglong Tire in 2015, cooperated with more than 20 universities, research institutes, and rubber application enterprises, and devoting itself to the development of the whole industrial chain (germplasm resources, planting, extraction, application, and by-product synthesis utilization) of TKS in China.

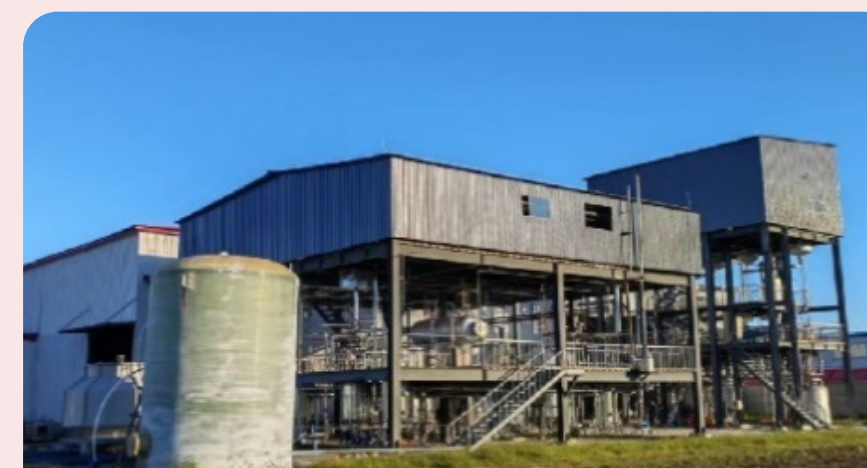
To accelerate the industrialization of TKS, during the 13th Five-Year Plan period, the "TKS Rubber Technology Development and Innovation Alliance" launched five scientific research projects with the support of Linglong Tire, involving several key technologies such as kok-saghyz germplasm introduction and new strain creation, kok-saghyz germplasm resource evaluation and good breeding, etc., accepted on November 30, 2022. We also built the world's first 100-ton green water-based TKS integrated extraction line.



New strains of kok-saghyz



High biomass of kok-saghyz roots



The world's first 100-ton green water-based TKS integrated extraction line



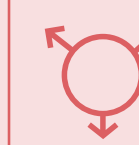
Full-process mechanized planting technology

Tips: TKS exploitation and sustainable development

Contribute to sustainable development:



Reduce deforestation and ecosystem destruction from rubber plantations.



Expand supply channels of natural rubber.



Help utilization of semi-desert areas and saline beaches and contributes to carbon neutrality.





6

# CUSTOMER SERVICE

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35 AFTER-SALES GUARANTEE SERVICES

38 INFORMATION SECURITY







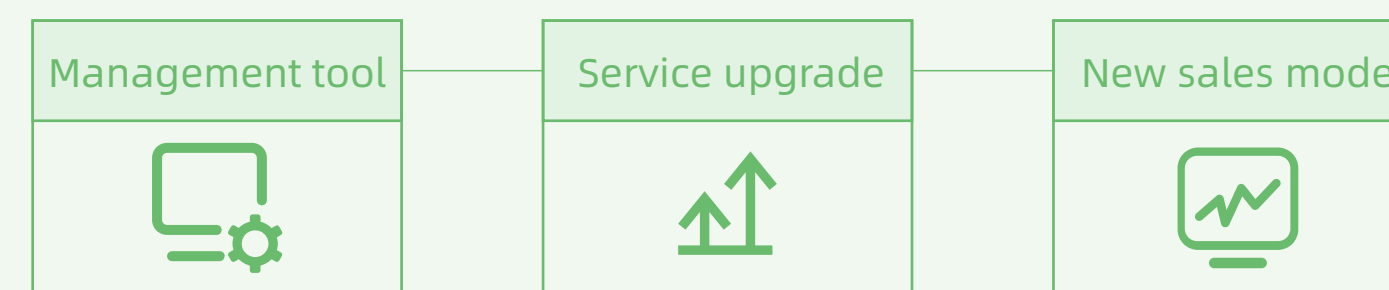
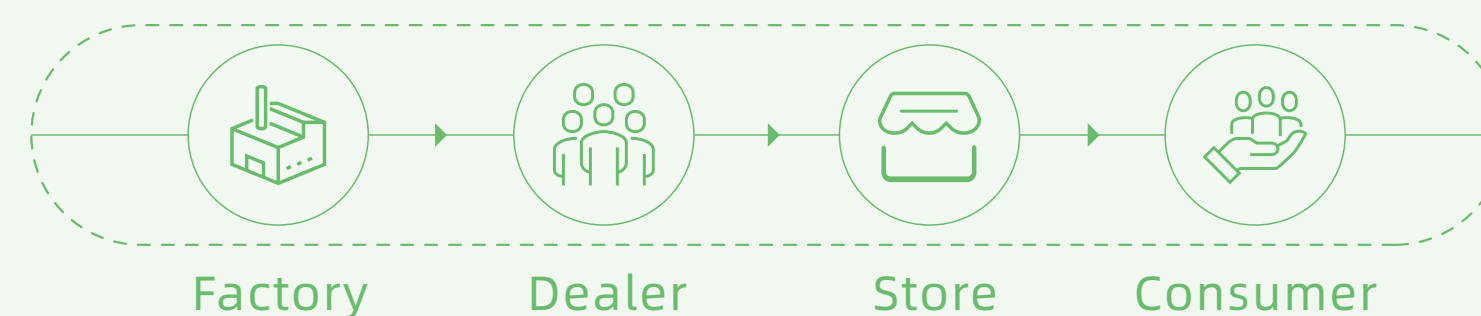
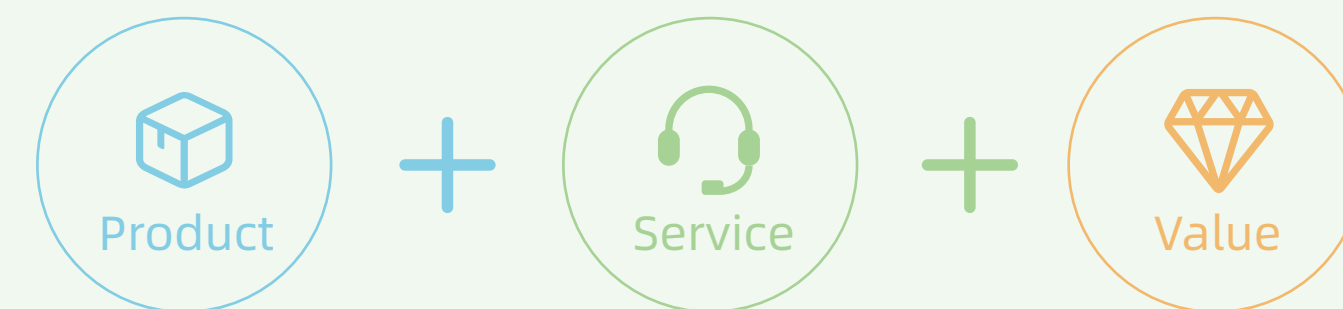
With products exported to 173 countries in the world, and providing OE services for over 200 manufacturing bases of more than 60 automakers worldwide, we have become the global supplier of world-leading automakers such as Volkswagen, Audi, BMW, GM, Ford, Honda, etc. Adhering to the quality policy of "excellent quality, excellent service, credibility-based, customer satisfaction" and the concept of "all for the market, all for the user", caring customers, and pursuing excellence, we are committed to provide customers with better shopping experience through the management of continuous improvement of the service process.

## INTELLIGENT CLOUD PLATFORM

▶ According to our Outline of Medium- and Long-term Development Strategic Plan (2020-2030), we will empower channels through the mode of "product + service + value", create a community of interests and destiny for factories, manufacturers and stores, structure a value marketing system, and provide more valuable experience for users.

▶ In 2022, we started construction of Phase II of the new retail platform, by cooperating with technology companies, and fully integrating the power of science and technology, we built a global industrial service and a smart retail platform, and a smart industrial after-market cloud platform, empowering the industrial transformation and upgrading from manufacturing to service. We launched the "New Retail Model", in which we use the Linglong Smart Retail System for dealers and stores, linking the upstream and downstream cooperative system of "factory - dealer - store - consumer" to build a new operational bridge between factories, dealers, and stores, which is efficient and convenient.

▶ The construction of the platform provides agents and stores with computer-side and mobile-side incoming, sales, and inventory management tools, enables us to promote and sell products through various ways such as applet mall, star store selection, brand store construction, and Tmall flagship store guidance, and increases the diversity, grade, and customization of promotional products to provide more value-added services to customers, at the same time of enhancing category upgrades and increasing delivery vehicles to improve turnover and delivery efficiency, etc. We fully open the latest sales method of combining online and offline tire products and the whole category, sales and service, storage, and logistics, to create a new value marketing.







## AFTER-SALES GUARANTEE SERVICES

We are concerned about the vital interests of most consumers and shoulder the social responsibility of maintaining normal public safety, public interest, and social and economic order. We set up an after-sales service office to provide customers with perfect after-sales guarantee services.

### After-sales training to dealers

We do monthly follow-up visits and provide training to dealers on three aspects, including tire failure identification, claims policy analysis, and tire use and maintenance knowledge. In 2022, we trained 1,501 dealers/times.



◀ Case 1:

Visiting Zhaoyuan Linglong flagship store and explaining the identification knowledge of tire fault to store personnel on site.



◀ Case 2:

Organizing Guangxi Nanning agents and stores to explain-claims policy.



## Customer claims service

We provide 7\*24-hour manual service hotline with dedicated customer service staff to handle customer claims on time and provide customers with effective after-sales resolution services. In 2022, we executed 11,912 hotline services, with a resolution rate of 100%, of which 63% were in the category of tire purchase claims. In 2022, the customer complaint rate was 2.36% and the resolution rate was 100%.



**7\*24-hour**  
Company provides 7\*24-hour manual service hotline.



**11912**  
In 2022, we executed 11912 hotline services, with a resolution rate of 100%.



**63%**  
The highest proportion of claims and tire purchase consultations accounted for 63%.



**2.36%**  
In 2022, the customer complaint rate was 2.36% and the resolution rate was 100%.







## Bulging worry-free insurance

For the problem of bulging due to misuse by customers, we launched bulging worry-free insurance, which is available to customers who purchase Linglong, Leao, and ATLAS branded 15-inch and above passenger car tires from official stores of Linglong Tire. The number of beneficiary customers in 2022 was 5,552, showing an increase of 27.43% compared with 2021.



**15-inch**

The customer with 15-inch and above passenger car tires all can get it.



**5552**

The number of beneficiary customers in 2022 was 5552.



**27.43%**

Showing an increase of 27.43% compared with 2021.

## Nationwide joint warranty

With the all-around and continuous improvement of its platform functions, we receive timely customer feedback online and offline, making it possible to quickly solve tire problems off-site.

### ► Case:

On April 25, 2022, a customer who purchased tires from Changshan, Henan Province, was unable to move due to damage of two tires, near Shaoshan, Hunan Province (one of them was not our product). It was raining heavily that day, and the customer called our 400- hotline in an emergency when other kinds of assistance were unavailable. In response to the situation, we immediately assigned the Jiawancheng agent from Xiangtan to the scene to for rescue, giving a half-price replacement service for the Linglong tire. The customer expressed special touch and expressed high recognition of our quality service.



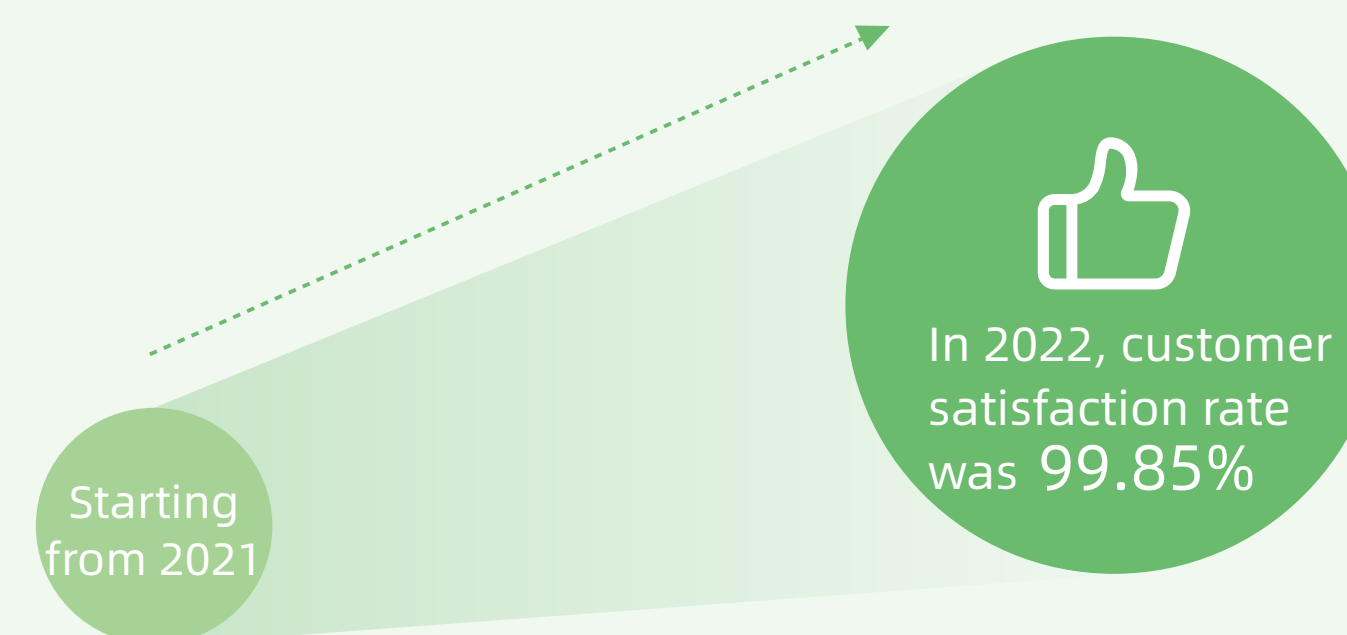
## Product recall system

We developed a comprehensive product recall system process. If confirmed with defects related to human health and life safety, we will immediately stop production and sales of products initiate product recalls, evaluate the defects, form detailed reports, and actively organize remedial plans. In 2022, no recall event occurred in the Company. In December 2022, we organized a mock recall event to improve the comprehensive ability of each department to respond to and execute a recall event.



## Annual customer satisfaction survey

Starting from 2021, we added customer comments to the customer satisfaction evaluation methods, making the evaluation data more reasonable. In 2022, customer satisfaction rate was 99.85%.







## INFORMATION SECURITY

According to the Data Security Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the General Data Protection Regulation (GDPR) of the European Union, the Personal Data Protection Act (PDPA) of Thailand and other relevant laws and regulations locally and abroad, we have established an overall policy and strategy for information security work, set up an information security management committee, set up a perfect information security protection management system, and formed a top-down governance and management structure for information security and personal privacy protection. In addition, we have formulated relevant information security and data protection system documents, which strictly controlled file access, regulated the collection, use, and retention of personal information and effectively managed data protection.



According to domestic network graded protection 2.0 standard, ISO27001 information security system, and TISAX 5.1 standard of the European automotive industry, we carried out information security construction and built a reliable information security protection system based on the "two layers and three levels" model of network architecture to realize fine-grained IT and OT network control and ensure the confidentiality, integrity, and availability of information assets. In 2022, we passed the TISAX 5.1 standard information security and prototype protection (parts) level 3 (Very High) certification, and Linglong Tire's network system passed the cybersecurity graded protection 2.0 standard level 3 certification.

Every year, we conduct information security awareness capability training for information security officers from each department, who are responsible for awareness dissemination and fishing drills within the department, realizing a 100% full coverage of information security training. In April 2022, the internal audit team of the Company conducted annual review of all aspects including information system controls and changes, disaster recovery drills, and information security incident response drills. The IT Department takes the lead in executing 2 sessions of emergency drill training and updates the emergency drill plan. The Company conducted 6 backup recovery tests for the information systems, 4 disaster recovery drills, and 4 thematic emergency drills to ensure stable system operation.



## [ CREATE A GREEN AND SAFE LINGLONG ]

We require all employees to understand and adhere to the implementation of:



Achieving zero safety accidents is always the goal of the Company.



Protecting environment and conserving resources to achieve sustainable development.

Create a green and safe Linglong through the following paths:



Provide a safe and comfortable working environment for employees and create a united and harmonious working atmosphere with full participation



Regularly carry out the identification of hazard factors and environmental factors



Ensure effective investment of funds for environmental, occupational health, and safety management



Promote safety and environment-related laws and policies



Conduct systematic training on safety, occupational health, and environmental knowledge



Formulate emergency plans and conduct regular safety and environmental emergency drills



Reduce pollutant emissions and energy consumption throughout the product life cycle



Ensure that the environmental, occupational health, and safety practices meet the requirements of laws and regulations



Establish the Environmental and Safety Energy Strategy Committee to manage environmental, safety, and energy performance







# 7

# ENVIRONMENTAL PROTECTION

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► We always adhere to the sustainable development concept of “Lucid waters and lush mountains are invaluable assets” and actively fulfill our environmental and social responsibilities. The “Sustainable Development Committee” is established under the Board of Directors to discuss and decide on key issues related to implementation of our environmental management policies and improvement of environmental performance. The leading team is composed of senior management personnel to discuss and decide on the direction of our environmental operation and related issues. Our 2030 Environmental Protection and Sustainable Development Plan focuses on the establishment of the carbon emission management system, energy conservation and emission reduction, equipment transformation and the construction of green and low-carbon factories, and actively promotes a green supply chain system to realize life-cycle green manufacturing and green products from the aspects of raw material procurement, production process design, process control, and management of finished tire products and waste. Environmental Protection Committees are set up in each manufacturing base to strictly implement the national and local environmental protection laws and regulations in the process of project design, construction, and production, and formulate management systems and control standards for pollutant discharge, to achieve objectives of pollution prevention and environmental protection.

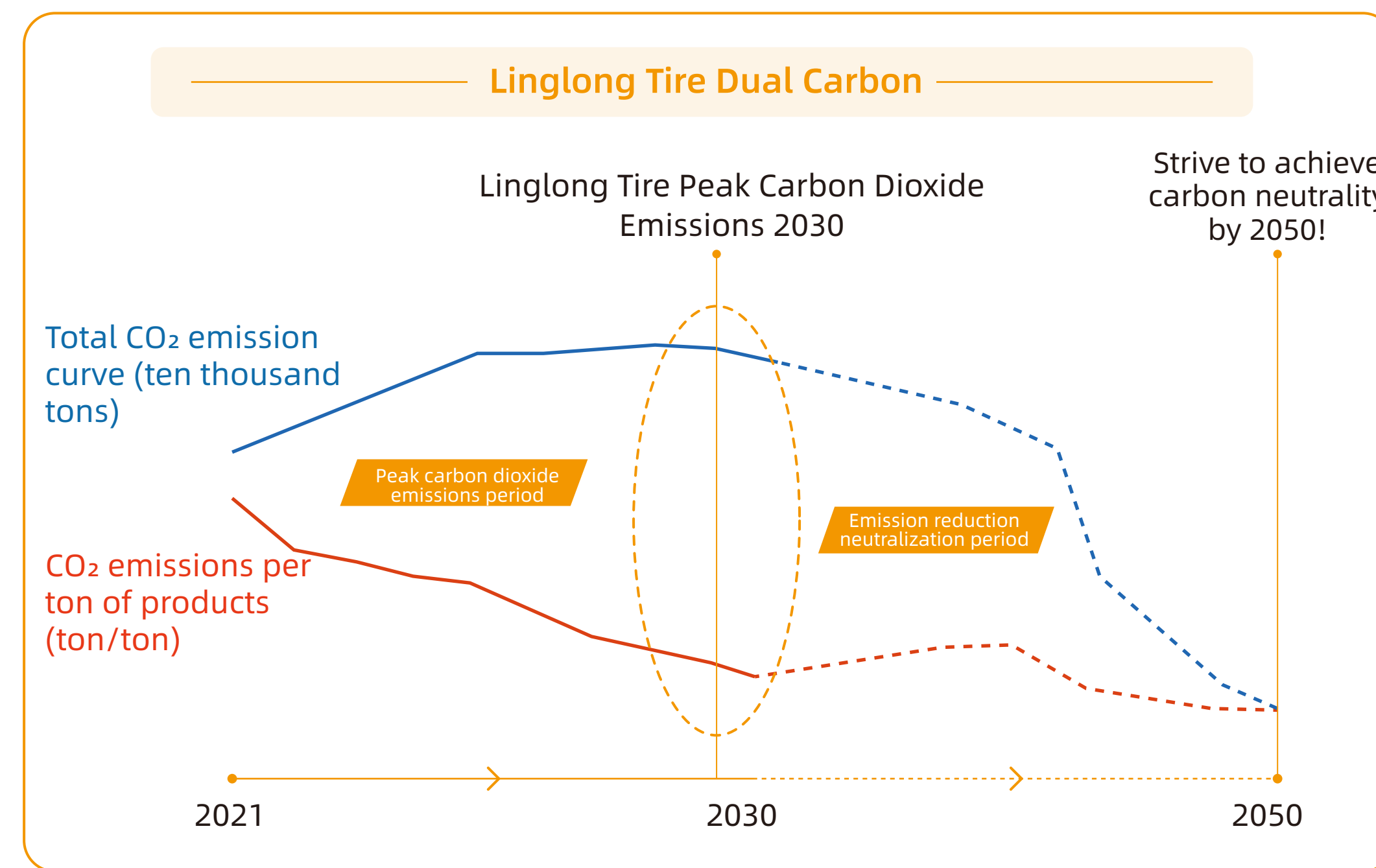
### Create Green Linglong



► We have established and continuously improved our environmental protection index system, implementing data index management on exhaust gas, sewage, and hazardous waste, carrying out self-monitoring on a monthly and quarterly basis, and compared the emission data to ensure effective treatment and discharge of pollutants. At present, all Linglong manufacturing bases put into production have carried out ISO14001:2015 environmental management system certification and passed the auditing process successively. Through the application of environmental management system standards, we perfected environmental management system, implemented environmental protection measures, and improved environmental management performance, with all environmental targets and indicators achieved effectively. Zhaoyuan Base, Dezhou Base, Jingmen Base and Liuzhou Base have passed ISO 50001:2018 Energy Management System Certification.

## RESPONSE TO CLIMATE CHANGE

In 2021, we established a leading team for promotion of works on peak carbon dioxide emissions and carbon neutralization, and formulated targets and action plan, to actively respond to China’s strategic decision to achieve "3060" target. Through the expansion in the Five New Sectors (new materials, new equipment, new energy, new technologies and new processes), we are making joint contribution to early realization of the "3060" target. We have formulated our own carbon neutralization roadmap in accordance with the national "3060" policy.



We will implement the concept of sustainable development by actively committing to greenhouse gas emission reduction and establishing the energy-saving and emission-reduction policy of “following the law, saving energy and reducing consumption, full participation and continuous improvement.” We organize greenhouse gas emission data estimation with reference to ISO14064-1:2018, laying the foundation for formulating reasonable policies and paths to address climate change.





	Unit	2020	2021	2022
Scope I (direct emissions)	ktCO <sub>2eq</sub>	138	147	116
Scope II (indirect emissions)	ktCO <sub>2eq</sub>	1143	1066	1091
Total	ktCO <sub>2eq</sub>	1281	1213	1208
Output	kt	1185	1219	973
Emissions per unit of product	tCO <sub>2eq</sub> /t	1.08	1.01	1.24

Note: 1. Carbon emission data are estimated from Zhaoyuan Base, Dezhou Base, Liuzhou Base, Jingmen Base and Thailand Base. 2. Factors selected base on: the average emission factor of the national power grid issued by the Ministry of Ecological Environment in February 2023 is used for carbon emission accounting in 2022 ([https://www.mee.gov.cn/xxgk/xxgk06/202302/t20230207\\_1015569.html](https://www.mee.gov.cn/xxgk/xxgk06/202302/t20230207_1015569.html)); GWP value: GWP Value - 2021IPCC Sixth Assessment Report; Average low calorific value: GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption; Raw emission factors: Default Emission Factors for Fixed Source Combustion in Manufacturing Industries and Buildings; Carbon oxidation rates: Guidelines for Provincial Greenhouse Gas Inventories-Oxidation Rate Defaults; Scope I direct emissions: greenhouse gases directly generated from the consumption of diesel, gasoline, coal and natural gas within the operating boundary; Scope II indirect emissions: greenhouse gases indirectly generated from electricity and heat consumption within the operating boundary.

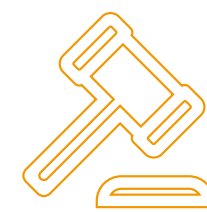
To standardize greenhouse gas information management and effectively manage the performance of greenhouse gas tracking and reduction, we issued and implemented the Greenhouse Gas Inventory Procedure in June 2022, and formulated the carbon inventory promotion plan for each manufacturing base. We are expected to complete the carbon inventory of all manufacturing bases in 2024 and form an inventory and report of greenhouse gas inventory every year thereafter.



## Progress and Plan of Carbon Inventory



At the Liuzhou Base, SGS has carried out the carbon inventory for the whole life cycle of tires in accordance with ISO14064, and formed the "Carbon Inventory Report", "Carbon Inventory Procedure" and other process supporting documents;



According to the Company's management regulations, the relevant departments shall select a qualified third-party certification authority to conduct the carbon inventory certification of Zhaoyuan Base and Dezhou Base in accordance with ISO14064 and other relevant standards, and assist in the establishment of a greenhouse gas management system to clarify the greenhouse gas emission data of tires throughout their life cycle.

- ▶ The carbon inventory of Zhaoyuan Base will be completed in June 2023;
- ▶ The carbon inventory of the Dezhou Base will be completed in September 2023;



According to the requirements of the system standards and specifications for the early-stage construction, the accounting and certification of greenhouse gas emissions were promoted at the Jingmen Base and the Thailand Base, and the establishment of a greenhouse gas management system was assisted to clarify the greenhouse gas emission data for the tire throughout its life cycle.

- ▶ The carbon inventory of Jingmen Base will be completed in May 2024;
- ▶ The carbon inventory of Thailand Base will be completed in October 2024;



On the premise of ensuring the effective operation of the greenhouse gas management system based on the existing factories in the early stage, the new factories will be fully promoted and will be used as the support for the greenhouse gas management system of "achieving peak carbon dioxide emissions by 2030 and achieving carbon neutrality by 2050".



2022

- ▶ In 2021, we started carbon inventory in Liuzhou Base prepared the inventory, formed the greenhouse gas report, and entrusted a third party to conduct the audit. According to the carbon inventory report of Liuzhou Base in 2021, indirect greenhouse gas emissions from energy input in Category 2 and emissions from goods purchasing in Category 4 are the largest sources of greenhouse gas emissions for Linglong Tire.
- ▶ In addition, we paid attention to the continuous dissemination of carbon reduction awareness in the value chain. Aside of organizing employees to participate in relevant training courses on greenhouse gas emission inventories, we also provided basic knowledge training on carbon emissions to suppliers, covering various aspects such as carbon emissions, carbon neutralization and carbon inventories, to build a green supply chain.



2023



2024



2025





## GREEN PRODUCTS

- ▶ With the deepening of the national concept of green ecology and environmental protection, how to recycle and dispose of waste tires has become a hot topic in the industry. As a tire enterprise in the forefront of scientific and technological innovation, we explore and probe into the recycling of waste tires by carrying out strategic cooperation.
- ▶ On April 1, 2022, we signed a comprehensive strategic cooperation agreement with Cleantire Environmental Protection Technology Co., Ltd., on top of the strategic cooperation established with Cleantire in October 2021, based on shared responsibility and mission of energy conservation and emission reduction, for comprehensive research and development on “zero pollution, zero residue, zero emission and full utilization” of waste tire treatment.
- ▶ This re-signing is an inevitable choice for both parties to develop to a higher level, stronger strength, and larger goal. Relying on Linglong’s “7+5 strategy” of 12 manufacturing bases in the world, we cooperate with Cleantire to select a suitable region nearby to build a waste tire recycling factory, to accelerate the realization of unified layout and management, and to build a comprehensive utilization industrial chain of tire research and development, manufacturing, renovation, and waste tire recycling throughout the tire life cycle. From a long-term and macro perspective, all-round cooperation will jointly promote the global recycling of waste tires at home and abroad with high value, which will provide the industry with a sample of green and low-carbon development throughout the tire life cycle and set an example for the industry in terms of social responsibility.
- ▶ Additionally, we have established a complete skeleton material recycling system, from the production to reprocessing of tires through the recycling of waste tire skeleton materials and the research and development and application of recyclable skeleton materials, to create a green supply chain system. In terms of material innovation, we continue to promote the research and development of materials such as TKS rubber and bio-based materials and reduce carbon emissions throughout the product life cycle through the application of environmentally friendly materials, helping to achieve "3060" target.



## GREEN PROCESS

We comply with requirements of the National Clean Energy Action Implementation Plan for improving the application level of clean energy technology in manufacturing industry and considers clean production factors at the product and process design stage to promote green production, reduce energy consumption intensity and air pollution caused by energy production and consumption.



We pay attention to the application of advanced processes of environmental protection facilities to improve the treatment effect. The newly built factories in Hubei Linglong and Jilin Linglong adopted industry-advanced processes of activated carbon adsorption + catalytic combustion, zeolite rotation + RTO, etc. From 2021 to 2022, Dezhou Factory completed upgrading of environmental protection equipment, with treatment process changing from UV photo-catalytic oxidation process to activated carbon adsorption + catalytic combustion, and the treatment effect and efficiency were significantly improved.



Through process improvement, for example, the Zhaoyuan Base changed its mold cleaning process from cleaning with mold cleaning solution to sand blasting, and laser mold cleaning, to reduce the generation of waste in the production process to effectively prevent waste pollution.





### Energy-saving Reconstruction Projects in 2022

S/N	The main energy-saving measures, energy-saving transformation project name	Energy-saving benefit (tons of standard coal/year)
1	Obsolescence and upgrading of obsolete equipment: ⌚ Completion date: June 2022 📈 The advanced permanent magnet synchronous frequency conversion centrifugal refrigerator is adopted to replace the old lithium bromide refrigerator for refrigeration and improve the energy efficiency ratio.	780.32
2	Evaluation of spray effect in water pump: ⌚ Completion date: February 2022 ✅ The HP superhydrophobic ceramic coating material can be used to solve and repair the damage problems caused by cavitation to water pumps, impellers, hydraulic mixers, etc.	1170.48
3	High-efficiency customization transformation of power pump: 📦 The three-dimensional flow design method and splitter blade technology are adopted to carry out multi-condition optimal design modeling customization on the water pump. Time limit, low noise, zero vibration and low energy consumption.	48.77
4	Transformation of superheated water pump: 📦 With customized design, the new pump has a wide and efficient working area, thus reducing the operating power of the pump.	43.66

Note: The power discount is 0.1229kgce/KWh; Considering the shutdown, the equipment operation is calculated based on an average of 330 days per year.



Our continue to implement water-saving management, by controlling the total water consumption and improving the water use pattern by means of process optimization, quality improvement, efficiency improvement and equipment improvement in the water use link of the production process. Meanwhile, we refine control over the process water consumption and establish recycling water mechanism for production links with low water quality requirements to improve the recycling rate of water resources.

	Fresh water	Water consumption intensity
Unit	m <sup>3</sup>	m <sup>3</sup> /RMB 10,000
2020	1473740	0.70
2021	1433224	0.70
2022	1402346	0.73

Note: The statistics cover Zhaoyuan Base, Dezhou Base, Thailand Base, Liuzhou Base and Jingmen Base.





### Water-saving Renovation Projects in 2022

S/N	Major water-saving measures and water-saving renovation projects	Water-saving benefit -RMB 10,000/year
1	Reuse of spray recovered water from compound line; We optimize the water supply structure, improve the water recycling rate, and emplace a water recycling device to realize the production process-the return water utilization of spray water.	0.82
2	Recovery and reuse of production water: We build a water return system in the condenser water tank of the refrigerator to automatically identify the liquid level of the tank body and control the automatic operation of the equipment to transfer the empty drainage water into the cooling tower to improve the secondary utilization rate of water resources. We add a liquid level control system to the water storage device of the compound line to intelligently control and identify the water storage amount, store water up to the rated amount, and automatically cut off power to stop water replenishment.	1.1
3	Recovery and reuse of production water: We adopt seasonal water resources management and control mode, aiming at the reuse of condensed water of steam in power station in summer/winter, establishes "one water for multiple purposes" mode, and transmit and supplement the water replenishment consumption of cooling tower, heating water tank, etc.	9.8
4	Water-supplementing and water-saving reconstruction of power water tank in power station; We reduce the production water consumption cost by improving the water reuse rate, simplifying the water use structure, and building the water recycling function between production equipment (vacuum pump-air conditioner surface cooler).	2.5

Note: Water-saving benefit fee is calculated based on the internal settlement price of RMB 3.41/ton.

The Thailand Base is equipped with a rainwater management system, and a drainage ditch is arranged in the factory. Rainwater is collected into a rainwater pond through the drainage ditch and pumped to a power plant by a water pump. After treatment, the rainwater is recycled and used by equipment. In 2022, the system collected a total of 171,078m<sup>3</sup> of rainwater, and the rainwater recovery accounted for 72% of the total water consumption.



In 2022, we fully carried out photovoltaic power generation units' construction in Zhaoyuan Base, Dezhou Base and Liuzhou Base, and actively cooperated with the national grid-connected work. In 2022, the photovoltaic power generation unit laid an area of 484,800 m<sup>2</sup>, with an overall installation capacity of 51.03MW, with an overall photovoltaic power generation capacity of 30.74 million kwh, the photovoltaic power generated accounted for 3.50% of our total power consumption, so as to improve the light energy-power conversion ratio and offset the total carbon dioxide of approximately 17,500 tco<sub>2</sub>eq.

### Manufacturing bases' photovoltaic power generation capacity

	Photovoltaic power generation	Total power consumption	Proportion
Unit	kWh	kWh	%
2020	4407537.6	1027002949	0.43%
2021	17154773	1037234665	1.65%
2022	30745782	879699606	3.50%

Note: 1. Total electricity consumption includes: Zhaoyuan Base, Dezhou Base, Liuzhou Base, Jingmen Base and Thailand Base.  
 2. The scope of photovoltaic power generation includes Zhaoyuan Base, Dezhou Base and Liuzhou Base.





## EMISSION MANAGEMENT

Our company and our subsidiaries are tire manufacturers, and the emissions generated in manufacturing process comes from three categories: exhaust gas, wastewater, and waste. We have formulated control procedures such as [Management Procedure for Exhaust Gas Control](#), [Management Procedure for wastewater Control](#), [Management Procedure for Solid Waste Control](#) and [Management Procedure for Noise Control at Plant Boundary](#), forming a perfect standardized emission management system. Environmental management objectives are set at the corporate level every year and decomposed layer by layer regarding to different responsible departments, to improve management and achieve environmental objectives in a continuous improvement manner.

### Annual environmental objectives and achievement

Key indicators	Company target value	2020	2021	2022
Wastewater/exhaust gas/noise	The standard emission rate is 100%	Reach	Reach	Reach
Solid wastes	The legal disposal rate is 100%	Reach	Reach	Reach

Note: The environmental management system covers Linglong Tire and its subsidiaries.

Our company and domestic subsidiaries strictly implement the relevant laws and regulations on waste discharge in People's Republic of China:

#### Wastewater, exhaust gas and noise:

[Comprehensive Wastewater Discharge Standard](#), [Ambient Air Quality Standard](#), [Emission Standard of Pollutants from Rubber Products Industry](#), [Emission Standard for Odor Pollutants](#), [Air Pollution Emission Standard for Boilers](#), etc.

#### Solid wastes:

[Environmental Protection Law of the People's Republic of China](#) and [Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes](#), [National Hazardous Waste Inventory and Pollution Control Standard for Hazardous Waste Storage](#), etc.

Linglong International Tyre (Thailand) Co., Ltd.. shall comply with the industrial sewage discharge standard in the [Statement of Thailand Industry Bureau](#) for sewage discharge, the boiler exhaust gas emission shall comply with the boiler exhaust gas emission standard in the [Administration Statement of Industry Bureau](#) in Thailand, and the exhaust gas emission from the tire production workshop shall comply with the exhaust gas emission standard in the [Administration Law of Industry Bureau in Thailand](#).

During the reporting period, the concentration and total amount of pollutants discharged by our company and our subsidiaries all met the requirements of relevant laws and regulations, and no environmental complaints occurred.



▶ The rain and sewage diversion system and the sewage and sewage diversion system are adopted in each manufacturing base of our company. We have established a complete sewage treatment system, and a sewage treatment station has been set up in the factory area with special technicians and operators responsible for daily drug delivery and equipment maintenance; Sewage discharge is monitored online, and a third-party testing agency is entrusted to conduct monthly sampling testing to ensure that the discharge reaches the standard.

Set up wastewater treatment station

Equipment maintenance

Ensure emission reach standard

### List of Wastewater Detection Data

Base	Emission factor	Implementation of emission standards mg/L	Emission concentration (mean) mg/L		
			2020	2021	2022
Zhaoyuan Headquarters	Ammonia nitrogen	15	2.165	1.61	1.3
	Suspended substance	70	7.17	13	13.33
	Chemical oxygen demand	100	29.64	27.58	10.42
Dezhou Linglong	Ammonia nitrogen	30	4.1	4.01	1.69
	Suspended substance	150	26.17	21.36	18.42
	Chemical oxygen demand	300	55.25	39.67	38.42
Hubei Linglong	Ammonia nitrogen	30	0.543	0.295	0.3968
	Suspended substance	150	11	10.75	16
	Chemical oxygen demand	300	11	8.625	11
Guangxi Linglong	Ammonia nitrogen	30	1.57	0.91	2
	Suspended substance	150	6	7	11
	Chemical oxygen demand	300	9	8	19
Thailand Linglong	Chemical oxygen demand	≤750	170.7	88	68
	Total suspended substance	≤200	44.6	37.6	37

(Note: The data range only covers the tire manufacturing bases; Calculation method: weighted average of third-party test data)





▶ As a responsible enterprise, we implement standardized exhaust gas management, and regularly conduct concentration testing for each emission factor to ensure that the exhaust gas reaches the emission standard.

### List of Exhaust Gas Detection Data

Base	Emission factor	Implementation of emission standards	Emission concentration (mean)		
			2020	2021	2022
Zhaoyuan headquarters	Particulate Matter (PM)	10mg/m <sup>3</sup>	6.81	6.51	5.16
	VOCs	10mg/m <sup>3</sup>	4.02	0.72	1.85
Dezhou Linglong	Particulate Matter (PM)	10mg/m <sup>3</sup>	3.96	1.89	3.19
	VOCs	10mg/m <sup>3</sup>	4.31	2.37	1.98
Hubei Linglong	Particulate Matter (PM)	12mg/m <sup>3</sup>	3.3	2.07	1.51
	VOCs	10mg/m <sup>3</sup>	4.13	1.5	0.42
Guangxi Linglong	Particulate Matter (PM)	12mg/m <sup>3</sup>	3.225	3.185	3.64
	VOCs	10mg/m <sup>3</sup>	1.29	5.18	3.87
Thailand Linglong	Total dust	400mg/m <sup>3</sup>	1.33	1.26	1.28
	SO <sub>2</sub>	500ppm	1.54	1.25	1.32

(The data range only covers the tire manufacturing bases; Calculation method: weighted average of third-party test data)



### Coal to Gas Conversion Project

The emission of pollutants such as sulfur dioxide, nitrogen oxides, smoke and dust is one of the main sources of air pollution in China. As a responsible company, we actively implement national policies relating to energy-saving and emission reduction. In 2022, Dezhou Linglong dismantled two sets of 35T coal-fired boilers, and built one set of 50T gas-fired boiler, completing the coal to gas conversion project. Compared with coal, gas has a higher calorific value, and is more clean and environmental friendly, which currently has been widely used around the world. The boiler uses natural gas as fuel reduces pollutant emissions significantly.

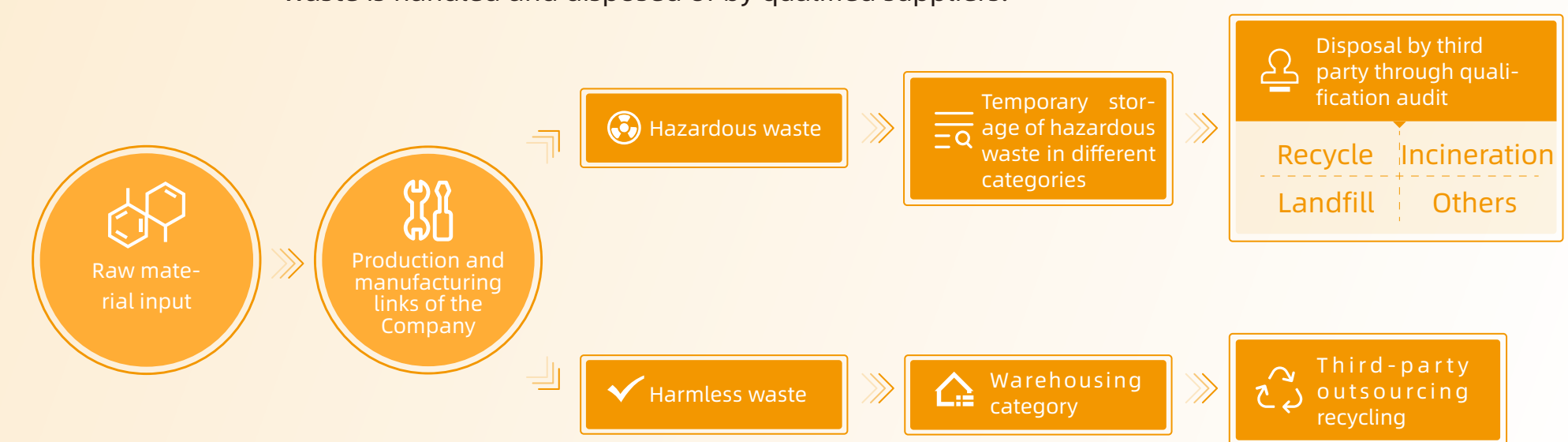
### List of Boiler Exhaust Gas Emission Data

Project\Year	Unit	Nitrogen oxides (tons)	Particulate matter (tons)	Sulfur dioxide (tons)
2020	Dezhou Linglong	29.741	19.045	2.334
	Guangxi Linglong	28.53	/	2.1573
2021	Dezhou Linglong	17.74	39.807	2.024
	Guangxi Linglong	11.3932	/	1.962
2022	Dezhou Linglong	14.2	1.14	2.02
	Guangxi Linglong	28.77	0.789	/

Note: For the boilers used in Dezhou and Guangxi, Dezhou uses coal-fired boilers and Guangxi uses natural gas boilers; The data comes from the big data system of ecological environment.



▶ We pay great attention to waste management and establish Management Procedure for Waste Disposal to minimize environmental impact based on legal disposal and recycling. Domestic garbage is collected by the local sanitation department and then sent to the local garbage disposal site for centralized disposal. Waste rubber compound and waste tires are all recycled after collection. Hazardous waste is handled and disposed of by qualified suppliers.







### Disposal capacity of solid waste in each base (unit: t)

Project \Year	Unit	General solid waste disposal capacity (part)	Hazardous waste disposal capacity
2020	Zhaoyuan headquarters	3100.714	75.36
	Dezhou Linglong	9450.65	20.531
	Hubei Linglong	401.102	22.68
	Guangxi Linglong	1175.25	31.95
	Thailand Linglong	8005.38	173.5
	Total	22133.096	324.021
2021	Zhaoyuan headquarters	2271.159	62.372
	Dezhou Linglong	12247.09	43.686
	Hubei Linglong	1068.99	29.86
	Guangxi Linglong	1200	26.65
	Thailand Linglong	8526.58	200.75
	Total	25313.819	363.318
2022	Zhaoyuan headquarters	1215.8	42.42
	Dezhou Linglong	10863.204	48.54
	Hubei Linglong	420.64	65.02
	Guangxi Linglong	897.8	36.46
	Thailand Linglong	8215.45	198.5
	Total	21612.894	390.94

Note: 1. The data range only covers the tire manufacturing bases. 2. The domestic factory data are from (big data system of ecological environment) and the Thai factory data are self-statistics. 3. According to Thailand law, domestic waste is counted as general solid waste, so there are more solid wastes in Thailand Base, and the statistical caliber of data is consistent with previous years.

## BIODIVERSITY PROTECTION

A good ecological environment is the foundation for human survival and development. We have a full understanding of the importance of protecting biodiversity and actively take measures to eliminate or reduce the potential impact of business processes on the environment and biodiversity during the project construction and operation phases:

- ▶ It must strictly comply with the relevant requirements of countries and regions applying the International Convention on Biological Diversity and Land Conservation. For example, our manufacturing bases in Europe will carry out biodiversity impact assessment during the construction phase of the project and will regularly carry out testing and investigation on the local biological impact after the construction is completed.
- ▶ Air, water quality and soil pollution around the manufacturing base are regularly tested, and relevant environmental protection measures are taken to minimize the impact of the manufacturing process on the local environment.
- ▶ All manufacturing bases are encouraged to actively participate in afforestation activities and continue to make positive contributions to the local biodiversity and environmental protection.
- ▶ We strive to strengthen our biodiversity social responsibility, to incorporate biodiversity into our company's decision-making process and operations and to apply the biodiversity policy to all manufacturing bases and suppliers at all levels.

Our company, as the only tire enterprise in Chinese mainland that has joined the "Global Sustainable Natural Rubber Platform (GPSNR)", published the Sustainable Natural Rubber Policy in March 2022, and submitted the first annual report of GPSNR in September 2022. Our company commits to purchase natural rubber produced in a way that does not cause deforestation or reduce high conservation value (HCV) and commits to actively promote the cooperation of stakeholders and make every effort to build a sustainable natural rubber supply chain.





# 8

## SAFE PRODUCTION

50 INTRINSIC SAFETY OF PRODUCTION

52 ACCIDENT CONTROL AND HIDDEN DANGER INVESTIGATION

52 EMERGENCY PREPAREDNESS AND RESPONSE





We adhere to the safety policy of “safety first, prevention first and comprehensive treatment” and always put safety in production at the top of its list. Our company implements customized safety management. Domestic manufacturing bases strictly follow the Law of People’s Republic of China on Safe Production and overseas bases follow the relevant laws and regulations of the countries where they are located to establish and improve the safety production management system, to fundamentally eliminate potential safety production accidents and enhance the safety production management capability. In addition, we continued to carry out identification of hazardous factors and environmental factors, risk assessment, process safety management and safety inspection, and strengthened 5S management at the work site to create a healthy and safe work environment.

We require all employees to understand and adhere to the production target of zero safety accidents and fulfill the obligations of protecting the environment and saving resources. At the management level of our company, the Environmental Protection and Safety Energy Strategy Committee was established to implement the EHS policy, comply with the relevant local laws and regulations, establish internal management standards, formulate environmental and occupational health and safety management objectives, communicate and train the environmental and occupational health and safety system to the employees, and hold relevant meetings regularly to improve our company’s environmental protection, safety and energy performance and fulfill social responsibilities. In terms of employee participation, we elect OHS management representatives, discuss relevant issues with senior management, and participate in and organize corporate activities related to OHS. At the same time, our company encourages all employees to participate in the discussion and improvement of OHS to continuously improve our occupational health and safety management and sets relevant performance indicators for quantitative assessment to motivate management improvement.



- Relevant local laws and regulations shall be followed, and internal management standards shall be formulated accordingly. Environmental, occupational health and safety management objectives shall be formulated, and efforts shall be made to realize the declarations and commitments made.
- The environment and occupational health and safety system shall be communicated and trained to the employees to improve the related capabilities of the employees, and relevant policies and performance shall be disclosed and communicated to the stakeholders.
- It is required to ensure reasonable and sufficient capital investment and operation for the environment, occupational health, and safety to achieve the relevant objectives and reduce production activities' impact on employees and the environment.

- All manufacturing bases that were put into production in 2022 have been certified by ISO 45001 Occupational Health and Safety Management System and 100% have passed the audit. ISO45001 Occupational Health and Safety Management System Certificate of the soon-to-be-put-in-to-production manufacturing base in Serbia will be promoted.



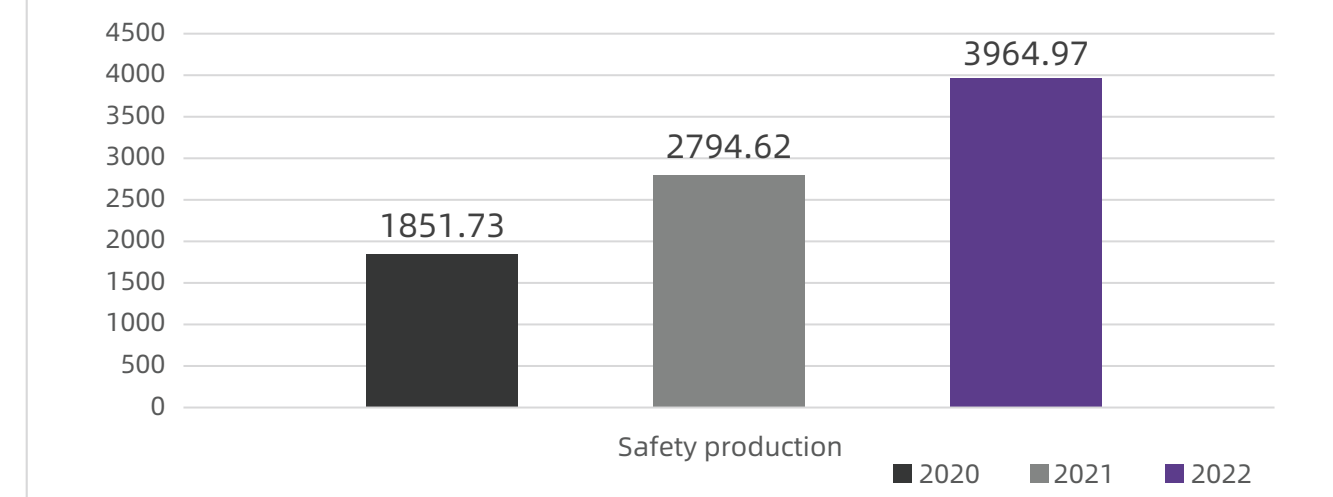
- Our manufacturing bases in Zhaoyuan, Dezhou and Guangxi have all implemented safe production standardization construction, and 100% have passed the safety production level 3 standardization acceptance.

Safety production investment from 2020 to 2022 (RMB 10,000)

	2020	2021	2022
Safety production investment/RMB 10,000	1851.73	2794.62	3964.97

Note: The scope of data statistics for 2020 and 2021 includes Zhaoyuan Base, Dezhou Base, Guangxi Base, Thailand Base, Hubei Base and Electromechanical Company. Jilin Base was added in 2022.

Safety production investment from 2020 to 2022 (RMB 10,000)







# INTRINSIC SAFETY OF PRODUCTION

We have established our intrinsic safety system (the "intrinsic safety system") from four aspects: management of intrinsic safety, process equipment intrinsic safety, environmental intrinsic safety, and personnel intrinsic safety. The intrinsic safety system is a comprehensive, systematic, and continuously improved modern safety management system based on hazard source identification, with risk pre-control as the core, management of employees' unsafe behaviors as the focus, and cutting off the cause-and-effect chain of accidents as the means. Through multi-cycle continuous cyclic construction and closed-loop management, the system has gradually improved.



On the premise of complying with national laws and regulations, we have formulated and implemented high-standard safety standards, norms, rules, and regulations, forming a sound management system, turning end-of-life management to process control, applying the principles of safety system engineering, and conducting scientific analysis to achieve proactive prevention.



Create A Safe Linglong



The intrinsic safety of equipment requires the adoption of high-standard design and manufacturing, i.e., systematic safety risk analysis should be carried out in every link from the adoption of process, design of equipment and other manufacturing links to daily inspection and maintenance after normal use. The risk control scheme is proposed and implemented, so that the process equipment has perfect protection function, to ensure that the equipment and systems can operate safely, stably, and normally within the specified operation period, and are under control from beginning to end.

[Case] Linglong Tire is committed to achieving intrinsic safety management from the source and introducing digital management measures to reduce safety risks when building new factories. During the construction of the Jilin factory, we introduced an automated logistics system, which greatly reduced the labor intensity on the one hand and eliminated the injury caused by human error or material failure in human-computer interaction on the other.



Fully automatic logistics vehicle



Fully automatic logistics vehicle



Automatic loop loading using steel wire winding intelligent robot





To realize the intrinsic safety of the space environment, it is necessary to ensure that the production space, plane layout and various safety and health facilities, roads, etc. of the enterprise conform to the relevant national regulations and standards. We strictly implement 5S standard at each production site to provide safe and comfortable working environment for employees.



Standardized workshop

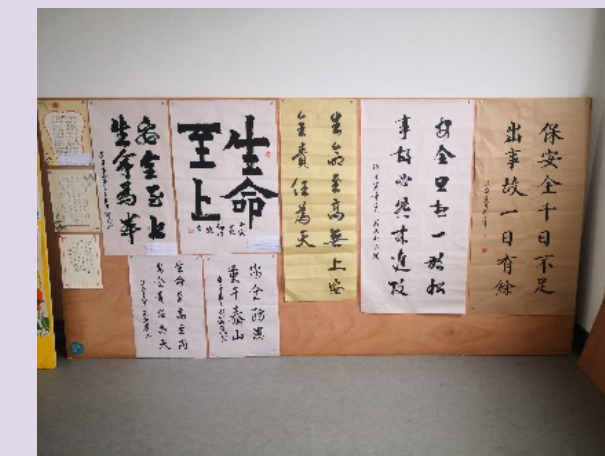
- We realize the intrinsic safety of personnel by building a perfect safety education system and safety culture. We provide safety education for the principal responsible persons, safety management personnel and employees of our company and branches in accordance with the requirements of the regulations, and the training hours shall meet the requirements of the regulations. Safety level 3 education shall be implemented for new employees, and they will take up their posts after passing the training. Every employee shall be provided with corresponding safety knowledge, safety skills and strong safety awareness, and shall have good safety quality. No matter when, where and under what kind of operation environment and conditions, he/she shall be able to operate according to the regulations to put an end to “three violations” and human error, so that everyone understands safety, requiring safety, being safety, and paying attention to safety.
- In order to better carry out the safety management work, We established a Safety Committee, whose members include the heads of various departments and branch factories, and the personnel of the safety and environmental protection department of our company, to be responsible for the specific implementation of the safety work of the company, and to implement the principle of “the person in charge is responsible for it”; the person uses is responsible for it; the person in charge of the post is responsible for it; the person violates the regulations is responsible for it” principle, and fully implement our safety management at all levels. The labor union of our company and subsidiaries shall supervise our company’s production safety work in accordance with the law. Our company and subsidiaries currently have 42 full-time safety management personnel, all of whom are certified to work through full-time safety training, including 3 registered safety engineers.
- In 2022, we carried out safety education and training, safety calligraphy and painting competitions, safety experience exchange meetings, fire fun games and other activities to increase employee participation, enhance employee safety awareness and actively create a “safety first and people-oriented” safety atmosphere. During the year, company-level safety training was organized 24 times, with a total duration of 144 hours, effectively enhancing the safety awareness of managers and all employees.



Safety communication meeting



Organize the motor vehicle driving promotion activity examination in the factory



Work on safety activities of employees



Emergency rescue competition





## ACCIDENT CONTROL AND HIDDEN DANGER INVESTIGATION

To effectively manage the safety accident indicators and improve the safety management performance, we established and managed quantitative indicators of the frequency of work-related injuries and the severity rate of work-related injury losses. To prevent accidents, we formulate safety management procedures and safety management systems, identify potential safety risks in all production links of the Company, qualitatively and quantitatively analyze the degree of risks and formulate corresponding safety measures, implement hierarchical control of safety risks, and regularly conduct hidden danger investigation, rectify, and eliminate potential safety hazards.

Company safety indicators (million man-hours)	2020	2021	2022	2030
Damage rate	1.23	1.15	1.6	< 1.0
Incidence rate of serious accidents	0.42	0.37	0.39	< 0.3

### Hidden Danger Investigation Performance

In 2022, each company recorded more than 16,000 hidden dangers, with a rectification rate of 100%. In view of the hidden dangers identified, our company's Safety Committee holds regular meetings to analyze safety-related issues and decide our company's safety policies. We formulate a safety and occupational health and environment training plan and conduct regular training to improve the safety awareness and environmental knowledge level of the employees and to avoid or reduce accidents. In addition, relevant system standards have been formulated to assess the qualifications of third parties to strengthen the safety management of relevant parties.

### Safety Management of Relevant Parties

We formulate the Safety Management System for Relevant Parties, which specifies the site safety management of suppliers, contractors, and other relevant parties, ensure that they fulfill our company's safety, occupational health and environment obligations, and their behaviors conform to the Company's safety, occupational health and environment policies and guidelines, ensuring our company's site production safety. The external construction unit shall implement the principle of double safety management carried out by the project business contact unit and the territorial management unit, including safety education and training at the factory, daily safety management, safety supervision and inspection, etc. in accordance with the provisions of the Safety Management System for External Construction Organizations of Linglong Tire and the Safety Management System for Territorial Management of Linglong Tire.



Hubei Base inspects the site climbing operation of foreign construction organizations



Hubei Linglong inspects the special equipment (elevators) on the construction site

## EMERGENCY PREPAREDNESS AND RESPONSE

We have established a complete emergency response system and equipped with complete emergency facilities and equipment to make a prompt and correct response when an emergency occurs, to minimize or eliminate the losses and impacts caused by it. We carry out pre-event prevention through risk assessment, emergency response plan formulation, safety awareness training, pre-event safety warning and various other preventive measures, to enhance the response capability of the emergency response team through comprehensive and special emergency drills during the event, and scientifically carries out pre-event disposal work on the premise of ensuring safety after the event, organize rescue forces to carry out pre-event disposal work in accordance with the emergency plan to prevent accident expansion or secondary accidents, and completes post-event accident investigation and related work.

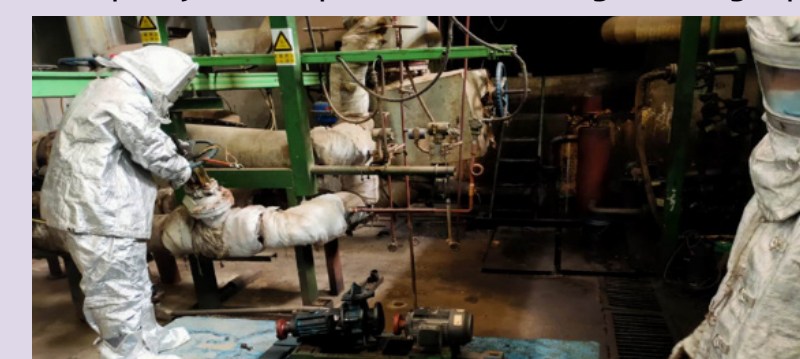
Adhering to the management concept of combining theory with practice, our company conducted a series of emergency drills, including comprehensive emergency drills, special emergency drills and on-site disposal plans. During the year, our company organized 12 company-level emergency drills, and subsidiaries conducted 16 on-site disposal plan drills, with a coverage rate of 100%, effectively improving the emergency disposal ability of the entire employees.



Fire extinguisher practical operation drill is carried out to further improve the employees' fire emergency response speed



Thailand Linglong Fire Drill in 2022 Was Successfully Completed, and Fire Fighting Personnel, Medical Care Personnel and Company Participants Are Taking Photographs



Drill on Disposal Scheme of Pressure Vessel Accident Site



Emergency Evacuation Exercise for Warehouse of Zhaoyuan Base







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# EMPLOYEE CAREER DEVELOPMENT AND CARE

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We highly value the value and status of people, respecting the rights and interests of employees and cherishing every employee. We maintain smooth communication and exchange with our employees through various internal policies and systems, to earnestly understand the demands of the employees, provide the employees with a high-quality working environment and a competitive salary and welfare system, promote the physical and mental health of the employees, and strive to enable the employees to live with dignity and work with respect.

## REGULATING EMPLOYMENT RELATIONSHIP

To ensure that all aspects of the employment process are following the law and avoid the occurrence of child labor or forced labor, our company strictly abides by the laws and regulations of the place where it operates and the corresponding provisions in the human resources management system, and follows the principle of “openness, fairness and justice” to drive the employment rate. At recruiting, our company will inform the employees of the work contents, conditions, occupational hazards, production safety conditions, labor remuneration and other information required by them.

We respect every employee and does not give different considerations in the employment and promotion process due to race, color, religion, gender, disability, etc. Our employment policy considers the vulnerable groups with employment needs. At present, our company has placed 125 disabled people to work in various sections and positions.

We respect the free will of our employees to work and do not pledge or coerce our employees. Our company prohibits the employment of child labor. If child labor is inadvertently employed, the employee will be released. The paid child labor will be paid in full. The released child labor must be escorted back to the original place of residence by our company while ensuring health and safety. If the child labor is ill or disabled before he/she is sent back to his/her place of origin, we will be responsible for medical treatment and bear all expenses and responsibilities incurred therefrom. If the deported child laborers really need to go to school and have difficulties at home, we will pay the tuition fees up to the age of 16 according to the local standard to ensure that they can continue to receive compulsory education. Employees’ right to freedom of association in accordance with the law should be fully respected. A formal labor contract is signed with the employees from the date of employment, and the signing rate of the labor contract is 100%.

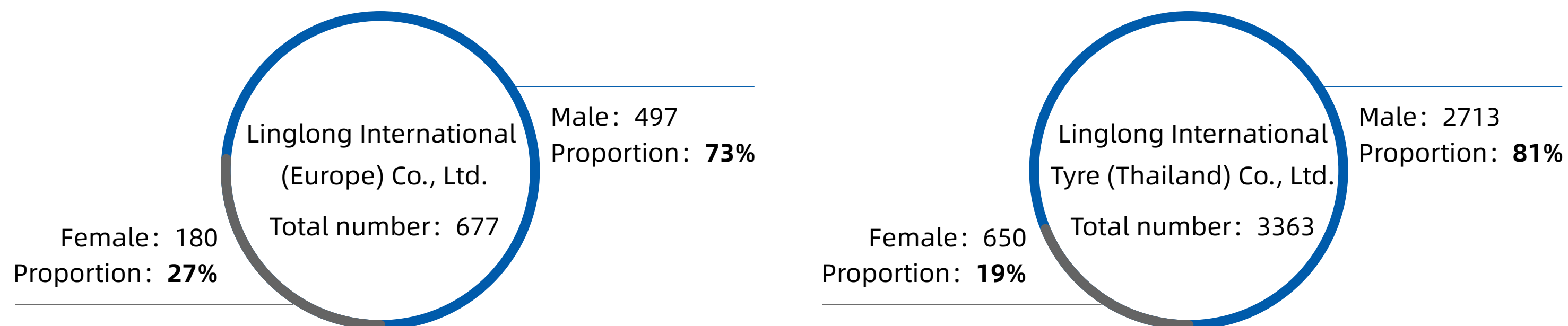
★ In 2022, we did not experience any violation of labor standards such as child labor, forced labor and discrimination.

### Employment Intake in 2022

Year	< 30			30-50			>50			Total
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	
2021	2157	633	2790	2183	848	3031	114	25	139	5960
2022	2963	500	3463	2232	676	2908	94	33	127	6498

While regulating employment, we also pay great attention to helping local communities to increase the employment rate. At present, our two overseas manufacturing bases (Thailand Linglong and Europe Linglong) have both formulated local employment policies. By the end of 2022, Thailand Linglong had 471 local managers, accounting for 80% of the total. Europe Linglong currently employs a total of more than 171 local management personnel, with 68% of them from Serbia.

### Figures on the Ratio of Male to Female in Thailand Linglong and Europe Linglong







### Thailand Linglong Localized Employment Data

Year	Total number of people (including assignment)	China accredited employee		Myanmar employee		Local employee in Thailand		Chinese employee recruited in Thailand	
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
2020	3808	205	5.38%	406	10.66%	3186	83.67%	11	0.29%
2021	3776	206	5.46%	341	9.03%	3229	85.51%	0	0.00%
2022	3566	203	5.69%	684	19.18%	2676	75.04%	3	0.09%

### Europe Linglong (Serbia) Localized Employment Data

Year	Total number of people (including assignment)	China accredited employee		Serbian employee		Bosnia and Herzegovina employee		Thailand employee		Chinese employee recruited in Serbia	
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
2020	219	13	5.94%	10	4.57%	1	0.46%	1	0.46%	1	0.46%
2021	721	107	14.84%	606	84.05%	6	0.83%	1	0.14%	1	0.14%
2022	901	224	24.86%	668	74.14%	7	0.78%	1	0.11%	1	0.11%

### Salary System

We provide employees with a fair and competitive compensation and benefits system. We are committed to creating equal employment opportunities and career development opportunities by determining remuneration based on qualifications, experience, nature of work, performance, and reference to market remuneration data standards. For all domestic manufacturing bases, we provide employees with the opportunity of salary adjustment at least once a year, and have established a fair performance bonus system. For outstanding and core employees, we also provide them with policies such as health examination, project bonus incentive and equity incentive.

### Equality and Respect

We insist on the close combination of open and democratic management of factory affairs and safeguarding the legitimate rights and interests of workers. The labor union has set up 22 branches. It has perfected the “1+3” collective contract system around the implementation of the five supervision and management functions, namely, the system policy itself, the implementation of the system policy, the work style of cadres and managers, the fairness of performance appraisal and the vital interests of employees. Every year, we negotiate and sign collective contracts on equal terms with the enterprise administrators on matters such as salary distribution, working hours, rest and vacation, production safety, occupational disease prevention, insurance, and welfare. After deliberation and implementation by the Worker’s Congress, we have effectively maintained the harmonious and stable labor relations in the enterprise. We currently have 100% employees who have signed collective contracts. Every month, employee suggestions and proposals were solicited from each branch, resulting in 4,656 improvement results and 48.79 million improvement in financial results throughout 2022.

According to the Management Procedure for Handling and Feedback of Employee’s Opinions, Suggestions, and Complaint formulated by our company, employees can express their demands in numerous ways such as suggestion boxes, the president’s mailbox, and complaints to department management personnel or employee representatives. All complaints must be answered and dealt with, and an Employee Complaint Handling Record is formed. In 2022, our company issued the relevant Supervision and Reporting Management System to reward whistle blowers at corresponding levels based on the authenticity of the reporting content, while protecting the informer, and severely dealing with those who retaliate maliciously. There were no complaints of discrimination in 2022.

[Case] Europe Linglong continues to promote the staff communication management mechanism to quickly resolve staff complaints and truly enter the employees’ mood. Through multi-level staff seminars, staff satisfaction surveys and other means, employees’ opinions and suggestions are actively collected. Meanwhile, an employee complaint and suggestion mailbox is set up to continuously collect various voices, opinions, and suggestions of employees. In 2022, our company collected more than 100 feedback comments and suggestions from the employees. After careful assessment and consideration, our company actively optimized and improved the problems that could be solved, which improved the satisfaction of the employees.







## TRAINING AND PROFESSIONAL DEVELOPMENT

### Construction of staff training system



Adequate training resources are a necessary guarantee to realize employee development. Our company has established a perfect training management system around the establishment of the post qualification model, the construction of the curriculum system, the management of lecturers, the management of training operations and other dimensions to ensure the effective implementation of Linglong Talent Strategy. Our company takes “one, two, and three” “integrated diversity” and “two resources” as the core to build a diversified and all-round strategic training and development system. Various forms of online and offline training are provided, including basic skills, post skills, management skills and continuing education. The training system enhances the employees’ enthusiasm and initiative through the full combination of internal and external resources, enhances the employees’ sense of belonging. It enables our company’s human resources to be fully developed and has stronger competitiveness in talent reserve.

#### Promoting Curriculum Development around Post Qualification System

In 2022, our company formulated the Selection Scheme for Excellent Courses and Lecturers for Cadres and Managers in 2022 to promote the development of training materials for various posts, the construction of a library of lecturers and the exploration of the potential of excellent lecturers. In combination with the short board of the curriculum developers undertaking the curriculum development, the Human Resources Department optimized the curriculum development and content presentation training materials, provided professional training and guidance to the curriculum developers undertaking the various units, and completed the development of 1,561 sets of qualified training materials in 2022, with a total of 1,901 class hours, laying the foundation for the promotion of post personnel’s skills.

#### Refine the Instructor’s Incentive Standard and Enhance the Instructor’s Sense of Honor

In 2022, our company adjusted the incentive standards in the Regulations on the Administration of Lecturers and further refined the relevant contents of the Incentive Scheme for Excellent Tutors, which greatly enhanced the sense of honor of lecturers and the initiative of staff in independent learning. In 2022, 1,210 lecturers were awarded, covering 1,583 courses and 1925.4 hours of qualified class hours.

#### Focus on Benchmarking and Set up Model

The selection activities of excellent work methods, excellent expert and apprentice, the most beautiful Linglong person, and the first rank of each month are carried out to encourage our staff to “set up good examples and models” in their work. In 2022, 96 excellent work methods, 214 pairs of excellent mentors and disciples and 25 most beautiful Linglong people were selected.

#### Internal Training Resources

It integrates the professional advantages of cadres and division-level personnel and carries out training of TTT professional courses and selection of training sharing by departments through the introduction of external training resources. At present, there are more than 300 internal training lecturers, covering various fields such as research and development design, marketing management, manufacturing, quality management, etc. In 2022, both the completion rate and the participation rate of Linglong Tire’s internal training program were 100%. The Company held over 7,190 internal and external training events, with 272,578 participants, with a total training duration of 1,496,245.45 hours and a per capita training duration of 80.73 hours.

#### External Training Resources

At present, our company cooperates with more than 20 external suppliers and has a team of more than 20 external lecturers, including two ways of going out and bringing in. In 2022, our company invested more than RMB 2 million to introduce external training resources, with a total training duration of 1020 hours and 183 participants.





**Going out:** Combined with the training needs, a total of 183 people went out to participate in the training in 2022, including a series of century school training in Shandong University, a series of training camps to learn from Huawei, the senior management course for automobile industry in Tsinghua and 16 courses combined with personalized needs. In addition to providing external training programs for employees, our company also organizes employees to actively participate in various skills competitions. In 2022, the headquarters of Zhaoyuan organized its staff to participate in the post skills competition held by the local human resources and social security bureau, in which 10 laboratory technicians from our quality control department and 3 fitters from electromechanical companies participated, and 6 laboratory technicians and 3 fitters were selected as senior workers, and bonuses were paid to employees.

**Bring-in:** In 2022, our company invited external lecturers to our company for internal training and held training activities on such topics as creating a successful team with unique people and unique methods and reconstructing strategic execution with business changes, with a total of 120 participants.



Training for creating a successful team with unique people and unique methods



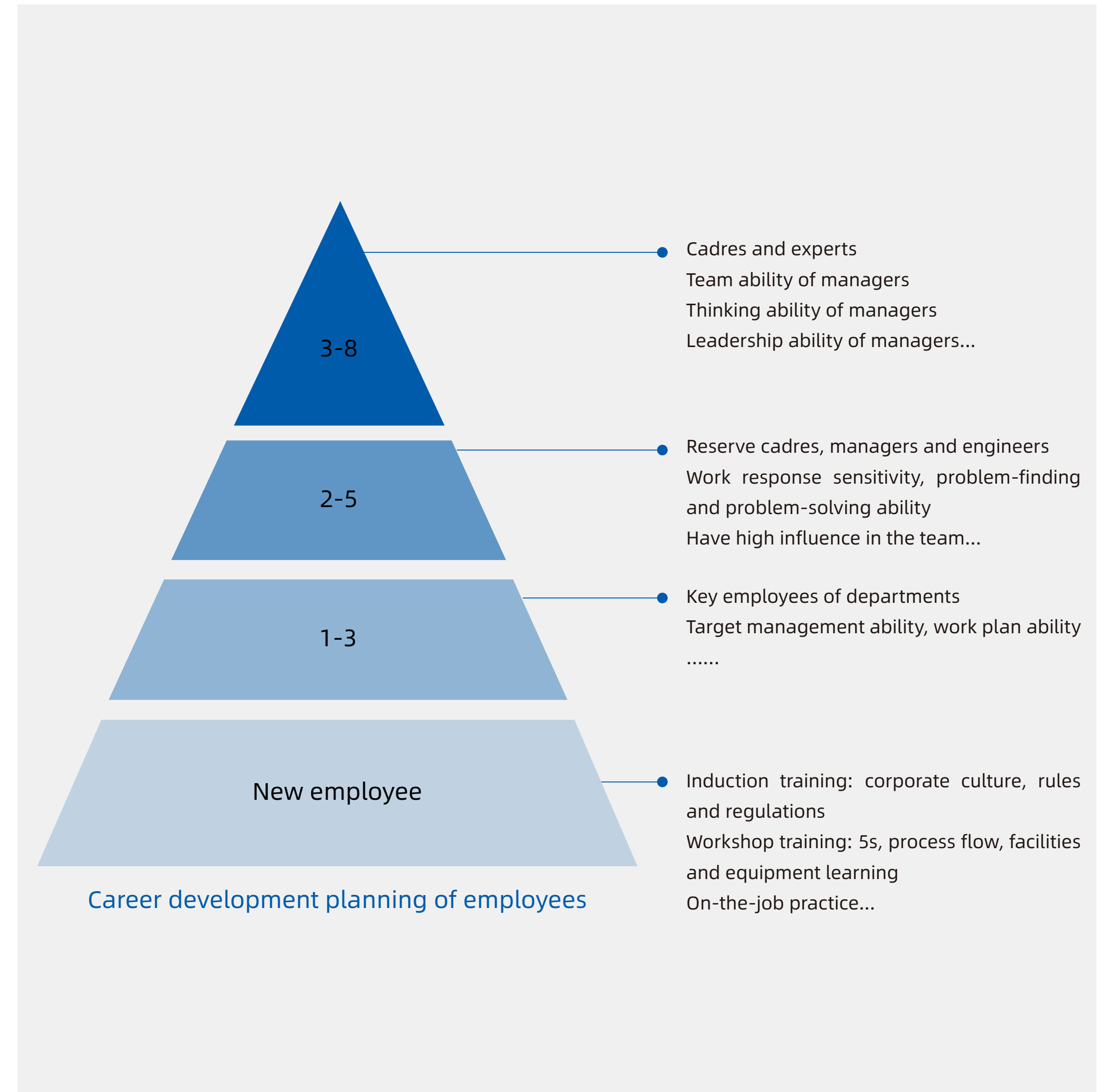
Training for reconstructing strategic execution with business changes

## Employee Career Development

Talent is a valuable resource for the future development of our company. To help our employees to clarify their career development direction, we have set up a “two-channel” model of operation management and professional technology for each employee. Employees can continue to deepen their professional fields to achieve professional development and can also develop in the management route according to their personal abilities and specialties. To ensure the operation of the career development channel, we also optimize our career development planning system year by year.

### Talent Gradient Cultivation

Our company has formulated the Management Measures for Training Reserve Echelon, and gradually improved the admission mechanism, training mechanism and exit mechanism for reserve echelon talents. Institutionally, the entire talent team maintains a dynamic management mechanism of “a man of ability goes up and a man of mediocrity goes down” to cultivate and reuse outstanding personnel, optimize, and eliminate the last personnel, and always maintain the vitality of our company’s cadre management team. In 2022, 100% of the employees were subject to regular performance and career development assessment. We selected 390 reserve echelon personnel and organized the formulation of targeted training plans around the targeted training positions. In 2022, 91 cadres were trained and appointed, 89 were promoted, and 159 qualified squad leaders, management and engineering technicians were trained.







## BUILDING A HAPPY WORKPLACE



Linglong cares for employees' health and advocates work-life balance. In addition to providing a safe and comfortable working environment for the employees, our company also organized a series of team-building activities and employee care activities to enrich the spare time life of the employees, create a caring culture for the employees, promote the healthy development of the working atmosphere and create a harmonious working atmosphere.

### Healthy and Safe Working Environment

Staff health and safety are the foundation of our sustainable development. We strictly abide by and implements the Labor Law of the People's Republic of China, Work Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the relevant laws and regulations of the country where the factory is located. According to the requirements of the Company's intrinsic safety and occupational health management system, Linglong Tire has established rules and regulations such as Management Standard for Occupational Disease Hazards, Management Standard for Staff Health Supervision, Management System for Labor Protection Supplies and Distribution Standard for Labor Protection Supplies of Linglong Tire.

We pay attention to the effective protection of employees' interests. We carry out regular detection of occupational hazard factors on the job site, risk notification, prevention and pre-control and regular health check-up for jobs exposed to occupational hazards, and implement health monitoring file management for all levels of jobs, to comprehensively prevent occupational diseases, promote physical and mental health of individuals and create a healthy and comfortable working environment. In 2022, a total of 5,775 injured employees in each company completed the occupational health examination, covering 100% of the employees' annual occupational health examination and 100% of the employees' occupational health records. The occupational health examination results showed that there was no occupational disease.

### Rich and colorful amateur life

Cultural and sports activities are the important content and carrier of corporate culture construction. In 2022, our company organized a painting and calligraphy competition. We held various activities, such as the 1+X test events of the 15th Staff Games and ball games, etc. These activities not only enrich the spare time life of the employees, edifying their sentiments, uniting the hearts of them, but also show the corporate image and soft power of Linglong Tire.

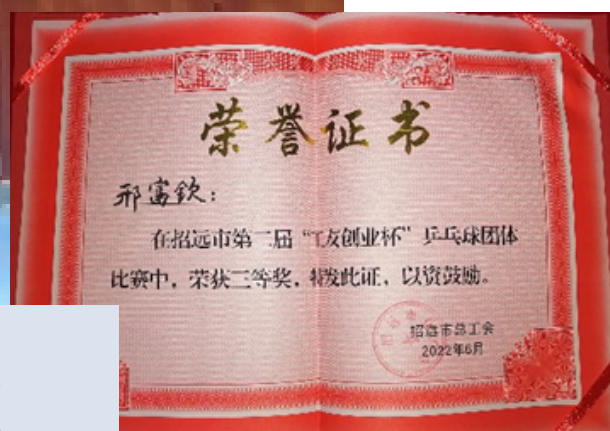
We vigorously promote the spirit of model worker, craftsman, and entrepreneur through skills competition, and are committed to building a cadre and staff team with excellent faith, responsibility, and style.

Innovate competition project to achieve actual effect in labor competition. The plan and organization and management system of the one-star-a-month and monthly outstanding security workers' labor competition have been refined and improved, and the competition has achieved practical results. Throughout the year, 1 national worker pioneer, 1 Yantai innovation team and 1 Yantai worker innovation achievement were declared.

Carry out Ankang Cup Competition to Promote Enterprise Safety in Production. According to the requirements of safe production in enterprises and labor protection in trade unions, the "Ankang Cup" competition has been continuously carried out, which not only promotes safe production in enterprises, but also enhances the enthusiasm of enterprises in building security team.

Adjust measures to local conditions to carry out skills competition and play a leading role in the demonstration. Throughout the year, 3 competitions were organized for security workers, chefs, and rubber technicians in Zhaoyuan and Yantai, all with excellent results.





On June 11, 2022, Linglong Tire Table Tennis Fans Association organized and participated in the “Workers’ Pioneering Cup” table tennis team competition of Zhaoyuan City Federation of Trade Unions and won the third prize of the team.



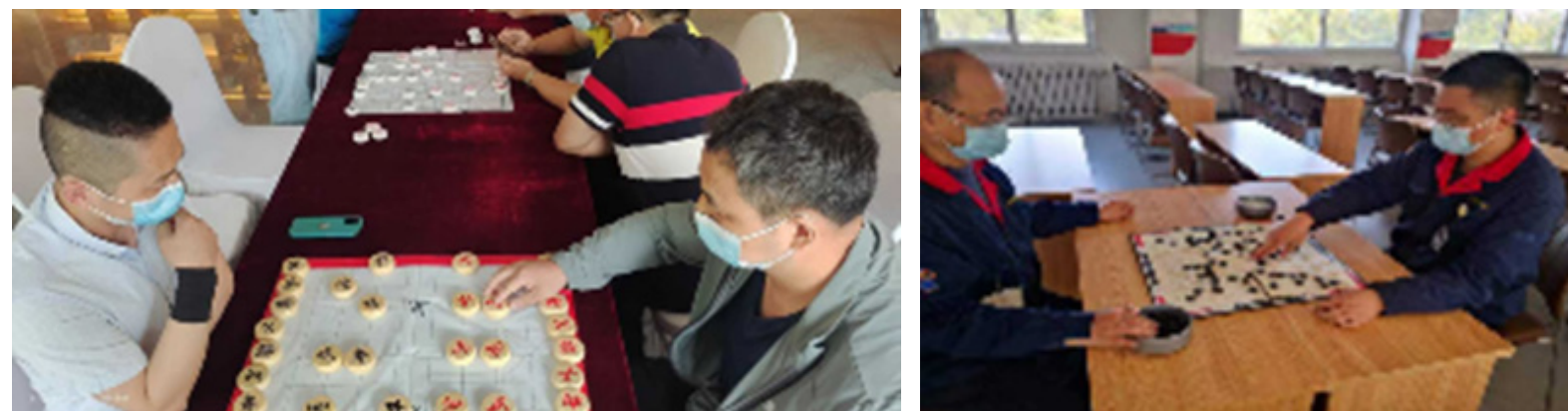
In June 2022, Linglong Tire Basketball Fans Association independently held the first league match of “Linglong Cup” basketball members. Linglong Tire Literature Fans Association specially created a basketball baby cheerleader for this league match to perform and cheer for the opening ceremony and the competition process.



In July 2022, Linglong Tire Art Fans Association organized the first art association team exchange meeting.



On October 1, 2022, Linglong Tire Riders Association, together with Zhaoyuan Feiyue Riders Group, successfully organized the 12th National Fitness Games Bicycle Race in Zhaoyuan City on the Gold Coast of Zhaoyuan, to celebrate the 73rd birthday of the motherland.



On June 4, 2022, Linglong Tire’s Chess Fans Association selected 24 chess fans from each team through the headquarters, Liuzhou, and Jilin level-by-level games. They gathered at Linglong Xiyue Mansion to celebrate the Dragon Boat Festival and discuss chess skills. The first Linglong Chess Friendly Tournament kicked off.

Enrich cultural carriers and enliven employees’ lives. A century-old enterprise depends on its culture. Excellent corporate culture is the soul of corporate development, spiritual strength, and core competitiveness for continuous progress. In the face of today’s severe market situation, we need to rely more on excellent culture to unite all of us as one, and work hard to realize Linglong’s strategic dream of internationalization.



The European Linglong Administration Office organized the first day of the New Year for the employees of both sides to celebrate the Spring Festival with dumplings and traditional China cuisine on the eve of the Spring Festival, to further promote the cultural exchange and cultural integration between the Chinese and Cypriot employees.





## Food, Clothing, Housing and Transportation

To address the diverse needs of employees for food and beverage, our company boldly developed new dishes and provided warm heart service in a timely manner by investigating the needs of employees in 2022. After the beginning of winter, various restaurants were organized to offer warm and heart-warming dishes such as seafood and bean curd casserole, ribs casserole, mutton soup, bone soup and rice noodles in a timely manner, and to offer small meals and small special meals simultaneously, to meet the needs of employees with small meals and provide more dining options for most employees. At the same time, we have set up a special inspection team for food quality, a special inspection team for health services, a supervision and inspection team, etc. to form a three-dimensional cross-network format with full coverage. Before the onset of winter, Zhaoyuan Base replaced the heating facilities of 285 rooms in No. 1 Apartment, rubber hotel and college student's apartment, and simultaneously resealed the windows of each apartment, to ensure that each lodging employee can have a warm winter.

## Legal Aid

To provide more convenient legal services to the employees, the Company established the "Lulutong" Mediation Committee, which provided a total of more than 50 free legal services to the employees of the Company in 2022, including employee pension, labor contract disputes, job transfer, labor remuneration, insurance benefits, labor protection, etc. While improving the employee's legal knowledge, it also strengthens the centripetal force of the enterprise and ensures the smooth development of various works.

## Meticulous Organizational Care

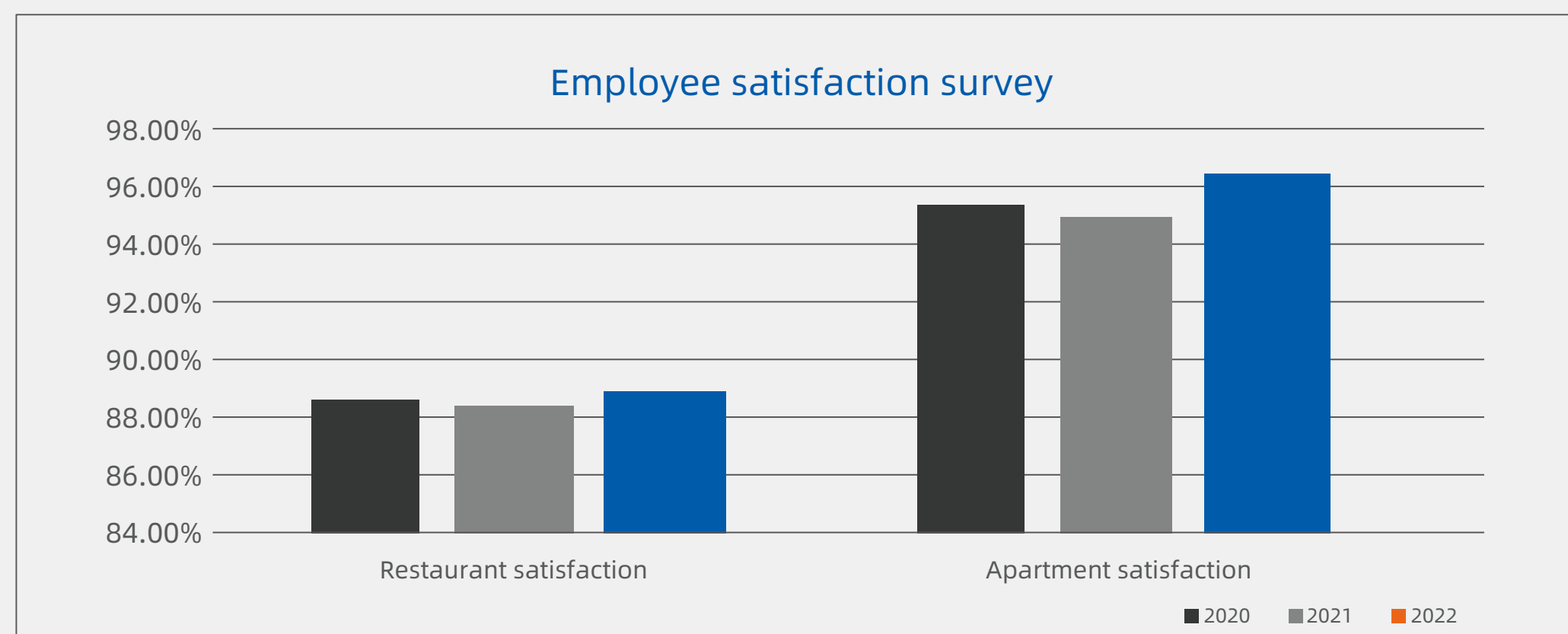
Adhere to the people-oriented concept to build an employees' home. Unblock the channels for employees to appeal and solve problems for employees. "Looking for a trade union in case of difficulty" is not only a quick channel for employees to participate in democratic management of the enterprise and care for the development of the enterprise, but also a convenient channel for individuals to appeal and solve difficulties. To help employees solve practical difficulties and ensure the implementation of care services, in 2022, our company's labor union organized employees to have a heart-to-heart talk with over 3,000 people. Through communication, problems were found, and various problems were solved proactively for employees. Every month, according to the employees' opinions and suggestions, various improvements and innovations are carried out to meet the employees' requirements in terms of work efficiency, work quality, safety in production, etc. Especially for female workers of childbearing age and nursing period, by actively communicating with the administration, properly arranging working hours and temporarily adjusting suitable positions for them, the rights and interests of women workers are protected, the satisfaction of employees is improved.



Chef dishes training



Chef dishes training







Physical and Mental Care

In order to enhance employees' sense of achievement, well-being and security, our company continued to handle the overseas insurance for 231 overseas employees in Thailand, focusing on the communication and settlement of claims in case of employees' accident, striving for more settlement for employees' accident to the maximum extent, and continuing to organize the medical examination of overseas employees. In 2022, our company organized the insurance settlement of 23 employees who were sent abroad to Thailand for accident, with the total settlement amount reaching RMB 440,621, and organized the health examination of 120 employees who were sent abroad to Thailand and Serbia. Care for the health of employees by taking physical examination to warm people's hearts.

According to the spirit of Linglong Group Care for Employees' Health Plan, with the high attention of the Company's leaders and the active cooperation of various departments, about 2,207 cadres and personnel with more than 10 years of employment underwent physical examination throughout the year. In addition, our company issued a total of 8,682 employee care vouchers with 4 denominations throughout the year.



Care for Female Employees

Dezhou Linglong coordinates the Women and Children's Health Hospital of Wucheng County to carry out on-site physical examination activities for female employees. Through physical examination, we care about employees' health and add a sense of belonging to employees, to create a good sense of corporate atmosphere. In 2022, Hubei Linglong launched a special love and care campaign for female employees. The second week of March was designated as the "Goddess Theme Week" to organize and carry out activities of sympathy and solicitude for female employees. Each workshop held a special gift ceremony for female employees by cadres and management personnel, which made the female employees feel the particular care from the company.



Care for New Employees

In 2022, Dezhou Linglong transformed the training environment for new employees, creating a "home culture" corporate philosophy for the newcomers, highlighting a warm, harmonious, and positive atmosphere, and improving the interviewer's sense of identity with corporate culture. The renovation of the pre-job training room for new employees includes highlighting the dynamic and positive atmosphere through orange and green wall colors; reflecting humanistic care and harmonious atmosphere through the decoration of green plants and flowers; displaying a positive and enterprising working atmosphere by decorating the corridor floor of the training room with motivational slogans. From the first stop of job seekers entering the factory to corporate culture training, the environment is improved to enhance the sense of identity and belonging of the recruits to our company.



Green Office

In order to strengthen the concept of green office for all employees of our company, enhance the awareness of energy conservation, advocate a healthy working and living style of "green office and low-carbon life", create a good atmosphere of energy conservation and consumption reduction, environmental protection, and cost reduction, Linglong advocates energy conservation and emission reduction for all employees.



Electricity-saving

The office building uses waste steam generated from the tire production process for refrigeration in summer, which can save 386 tons of standard coal and 1,043 tons of carbon dioxide in one summer.

Office lighting, computers, printers and other electrical equipment use solar photovoltaic power generation, saving 237 tons of standard coal per year and reducing 639.90 tons of carbon dioxide emissions.



Water-saving

Advocate water-saving for all employees through the Company's internal wechat group, the status quo of lack of water resources before and after work, and water-saving banners hanging in restaurants and apartments, and by creating a water-saving atmosphere

Collect water-saving measures and suggestions from restaurant and apartment teams, such as reasonable arrangement of delivery time, adoption of natural thawing method, improvement of water boiling process, and reuse of cold water, etc., which can save 9,372 tons of water annually.





# 10

## WIN-WIN SUPPLY CHAIN

63 RESPONSIBLE PROCUREMENT POLICY

64 SUSTAINABLE MANAGEMENT MODE

65 CO-GROWTH COOPERATION MODE







Linglong believes that common growth with suppliers is one of the cores of corporate social responsibility work. While putting forward social responsibility requirements for suppliers, we include supplier communication, training, and education into the system to help each other and realize sustainable value creation. We regard all our suppliers in the world as very important partners, including manufacturers and traders of in-warehouse production in China and the surrounding Southeast Asian region, Japan, Korea, and Europe, etc., involving various procurement categories including rubber, skeleton materials, carbon black and chemical auxiliary materials.

Linglong upholds the principles of openness, fairness, impartiality, and integrity, and makes use of the online recruitment platform through public bidding to maximize the transparency of the bidding process. At the same time, Linglong has continuously improved the purchase control procedures, formulated risk prevention control measures for specific business processes involved in the purchase process, formulated anti-leakage and integrity requirements in each link, and promoted the legal, healthy, and sustainable business philosophy of compliance to purchase suppliers in the production, transportation, use and disposal of materials disposal customers, etc., to prevent illegal purchase. Before cooperating with Linglong, the supplier must sign the Shield Agreement and Confidentiality Agreement and implement Linglong's sustainable development requirements into internal management.

## RESPONSIBLE PROCUREMENT POLICY

To improve the procurement efficiency, standardize the procurement operation and control the procurement cost, our company classified and formulated the procurement strategy based on the actual situation of different raw materials and suppliers, established a sound procurement management system, and formulated the Procurement Strategy Process. From the risk and complexity dimensions and value dimensions, the purchased materials are divided into four categories, and differentiated procurement strategies are formulated based on the classification.



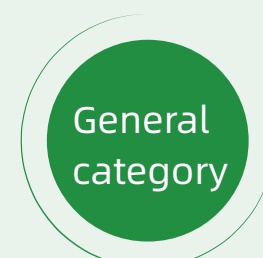
high risk and complex materials with high value  
Strategy: Pursue strategic partnerships with a small number of key suppliers to optimize TCO



high risk and complex materials with low value  
Strategy: Continuously develop new suppliers or modify their own requirements to convert bottleneck materials into other materials



minimal risk and complex materials with high value  
Strategy: Expand sourcing scope and reduce TCO through bidding



minimal risk and simple materials with low value  
Strategy: Simplify the procurement process and reduce procurement costs by standardizing and automating the procurement process

Our company adheres to the centralized, unified, and standardized global independent procurement model, and chooses the top ten in the industry or the top ten in the world as its procurement partners and has established a long-term strategic cooperation relationship with competitive suppliers. At the beginning of each year, our company prepares the annual procurement plan based on the annual production target, signs the annual procurement framework agreement with the suppliers, and prepares the suppliers' procurement plan for the next month based on the inventory situation and the next month's production plan at the end of each month. The Purchase Department is responsible for purchasing raw materials for tires (including raw and auxiliary materials such as natural rubber, synthetic rubber, steel cord and carbon black). The Quality Control Department performs quality inspection. The Supplier Management Department performs supplier evaluation management and conducts regular investigation and evaluation of suppliers. In 2022, 100% on-site audit of suppliers will be conducted according to the qualified supplier audit plan. The audit content includes social responsibility, environmental and safety assessment. The suppliers have rectified and closed the problems as required.

In addition, Linglong integrates the concept of sustainability into the supplier management process while safeguarding supply, reducing costs, improving efficiency, and controlling risks, further realizing value chain transmission, and providing customers with better quality and environment-friendly products and services. Our company has put forward social responsibility, environment, safety, and other conditions for all suppliers, requiring them to meet the Requirements for Sustainable Development of Suppliers, and completed the Supplier Social Responsibility Assessment Form, to ensure that while providing products and services, the Company can effectively fulfill its social responsibilities.

### 《Requirements for Sustainable Development of Suppliers》

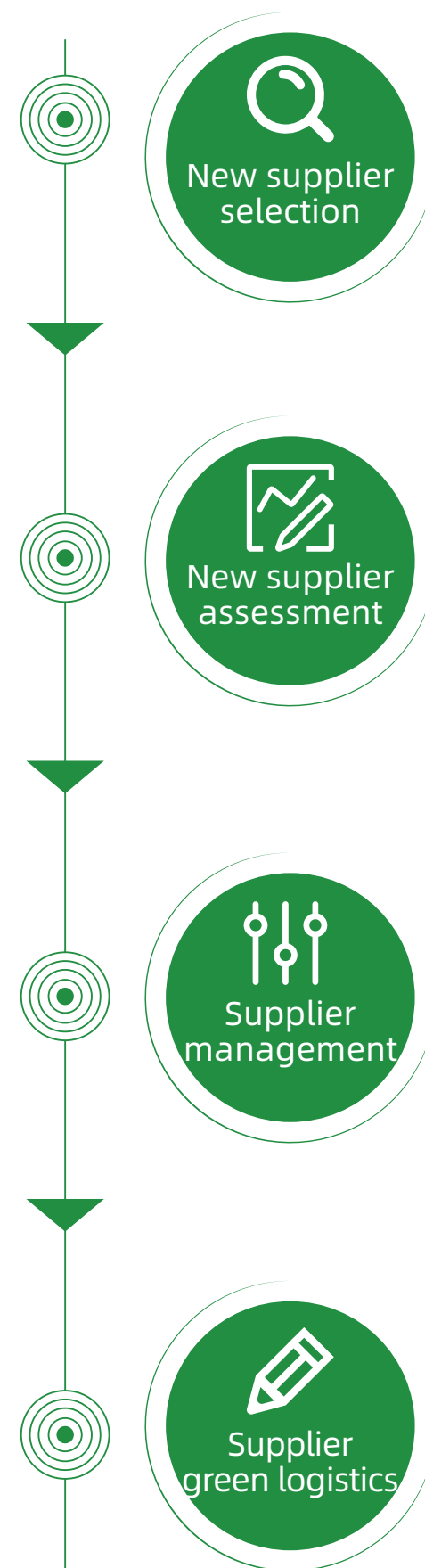
Child labor
Modern slavery (forced labor)
Working hours
Wages and welfare
Punitive measures
Discrimination
Freedom of association
Working environment
Fire fighting
Environment, health and safety management
Greenhouse gas emissions, energy consumption and renewable energy
Water quality and consumption
Air quality
Sustainable energy management and waste reduction
Welfare facility
Sustainable development requirement
Anti-commercial bribery and corruption
Anti-corruption
Unfair trade
Secret protection
Reporting and protection against retaliation





## SUSTAINABLE MANAGEMENT MODE

Linglong pays attention to the safety, reliability, and green environmental protection of its products. Based on the purpose of quality improvement, efficiency enhancement and risk control, Linglong implements the life cycle management from development, certification introduction, supplier performance management and improvement (key performance indicator KPI), risk control to supplier abolishment to suppliers, and establishes a green and low-carbon supply chain.



Linglong upholds the principles of integrity and fairness, gives priority to the procurement of suppliers for production and processing in accordance with the provisions of the sustainable development policy, makes the establishment of an environmental management system and meeting Linglong's sustainable management requirements as mandatory terms for selecting new suppliers, and requires key suppliers to pass the ISO14001 certification to fulfill the responsibility of sustainable supply chain management.

To respond to the "peak carbon dioxide emissions, carbon neutral" "3060" target and effectively control greenhouse gas emissions, Linglong implements retrospective management of the supply chain under the premise of strictly regulating itself, requiring suppliers to specify their sources and circulation routes of raw materials, and to join and implement review standards and process audits on environment and energy. According to the supplier audit plan, 100% of the supplier audit was completed according to the plan in 2022.

Linglong focuses on the operation mechanism of green development, low-carbon management, and environmental risk control during the supplier's production process, and conducts regular audits on the cooperating suppliers. It is prohibited to use raw materials that violate human rights, bribery, violate morality or have a negative impact on the environment. Once it is found and confirmed that there is a violation of the requirements for the management of prohibited and restricted materials, it shall immediately suspend its cooperation with it and urge it to rectify.

In terms of transportation and packaging, Linglong uses environmentally friendly recyclable packaging materials as much as possible to reduce resources from the source; Linglong leads suppliers to replace new energy vehicles to reduce carbon dioxide emissions from transportation logistics vehicles and realize the concept of green logistics in the supply chain.

Case	
Green logistics	To scientifically implement the carbon reduction target, reduce the carbon emissions, and air pollution in the logistics and transportation process, our company has required and achieved the use of all vehicles that meet the national emission standards, with the proportion of vehicles with National V emission standard and above exceeding 90%. In addition, our company adhered to the principle of delivering goods to the nearest factory and made use of the layout of the existing five factories in the country to gradually reduce the delivery of goods over 1,000km, and optimized the route through the TMS system, thus reducing the mileage by 1,383,600km, saving 553,500L of oil consumption and saving RMB 11,448,700 of cost. While reducing the carbon emissions from transportation, our company realized the cost reduction and efficiency increase in the transportation process.
Logistics personnel and self-operated vehicle management	<p>Linglong attaches significant importance to the life safety of all employees and has formulated several safe driving systems and safety operation procedures, including <u>Driving Safety Management System</u> and <u>GPS Tracking and Positioning &amp; Fatigue Driving Control &amp; Alcohol Test Before Departure &amp; Safety Inspection of Vehicles Returning to Plant</u>, which strictly regulate the vehicle operation and personnel's driving operation.</p> <p>Our company's self-operated transportation vehicles are all equipped with various vehicle safety management assistance systems, and the internal vehicle safety management scheme is formulated. Relevant facilities such as image system, mobile phone vehicle management, intelligent alarm, voice reminder and blind spot monitoring are added. Under high-standard control, self-operated vehicles have achieved zero accidents since October 2021.</p>
Green packaging	Linglong upholds the concept of green production, implements the resource reduction initiative from the source of suppliers, and requires suppliers supplying Linglong Tires to use recyclable packaging as much as possible on the premise of ensuring product quality, to reduce the consumption of the resources on earth. In 2022, our company urged suppliers of various raw materials to reduce the use of disposable pallets and instead use recyclable iron boxes for packaging and sharing pallets. At present, 60% of the suppliers of synthetic rubber use recyclable GOODPACK, CIMC and GPS iron boxes, and 80% of the suppliers of carbon black use Leju, Yunlian and Xiaoyan share pallets. Some chemical auxiliary material suppliers have gradually started to use shared trays.





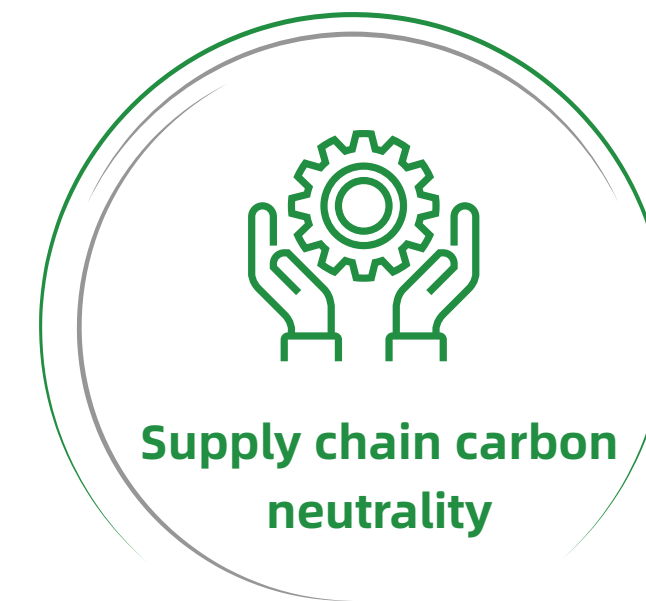
## CO-GROWTH COOPERATION MODE

Linglong strives to further integrate sustainability into corporate strategy and operation management by enhancing the competitiveness of the supply chain and obtaining significant benefits in terms of ensuring supply, reducing costs, improving efficiency, and controlling risks. Apart from the development of the enterprise itself, Linglong also pays attention to the common growth with its partners, sticking to the sustainable cooperation model of mutual benefit and mutual assistance, and continuously contributing to the local economic development and the improvement of the management level of the cooperative enterprises.



In 2022, we will continue to vigorously promote localized procurement, taking the country where the Company's main manufacturing base is located as "local":

- Thailand is the main producer of natural rubber. After comparing the prices, Thailand Linglong has selected the best to purchase all-natural rubber locally in Thailand. In 2022, 60,000 tons of natural rubber was purchased in Thailand locally, accounting for 100% of the local procurement.
- After comparing the suppliers of raw materials, Europe Linglong preferred to purchase raw materials with price advantages locally. In 2022, it developed and approved 35 local suppliers in Europe, with the proportion of local procurement reaching 50%
- Each manufacturing base in China selects the nearest supplier for supply based on the location.



To realize the supply chain transmission of Linglong's sustainable development concept, suppliers are required to implement the sustainable development requirements into internal management. We have formulated the Requirements for Sustainable Development of Suppliers, which can help suppliers to build a sustainable supply chain management system, define a sustainable supply chain management framework, and set up a three-dimensional control mechanism including supply chain organization system, operation system, evaluation, and guarantee system from a strategic, organizational and implementation perspective. Moreover, the Supplier Management Office shall be responsible for it, explaining to all suppliers the requirements for achieving carbon peaking and carbon neutrality target and joining GPSNR, explaining to natural rubber manufacturers the requirements for obtaining FSC certification, and promoting suppliers to comply with the requirements of the "3060" policy.

To actively respond to the requirements of the national carbon peaking and carbon neutrality strategy, Linglong follows the company's plan, steadily advances the process of peak carbon dioxide emissions and carbon neutralization in the supply chain, and strives to achieve carbon neutralization in the whole supply chain as soon as possible, together with supply chain partners. To achieve this goal, Linglong has set target requirements for suppliers' peak carbon dioxide emissions, carbon neutrality in the Management Manual for Raw Material Suppliers and made them publicly available to suppliers in the SRM system.

In November 2022, we formulated a "3060" supplier risk assessment model "Linglong Tire Green Supplier Assessment Standard". At present, domestic production suppliers have completed self-assessment and the self-assessment results show that they are all rated as "good". Linglong requires its suppliers to monitor the implementation of the Dual Carbon Propulsion internally and will verify it during regular on-site audits.





11

# COMMUNITY DEVELOPMENT

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68 Boosting low carbon development

69 ADVOCATE FOR VOLUNTEERING

69 CARING FOR THE GROWTH OF YOUTH

69 PUBLIC CHARITY FUNDS AND ACTIVITIES







We integrate public welfare into corporate genes and have been actively taking on social responsibilities for many years. We have made continuous contributions to community feedback, environmental protection, disaster relief, social welfare, youth care, and trucker care in China and overseas society. In 2022, the accumulated public welfare investment was approximately RMB 2.49 million.

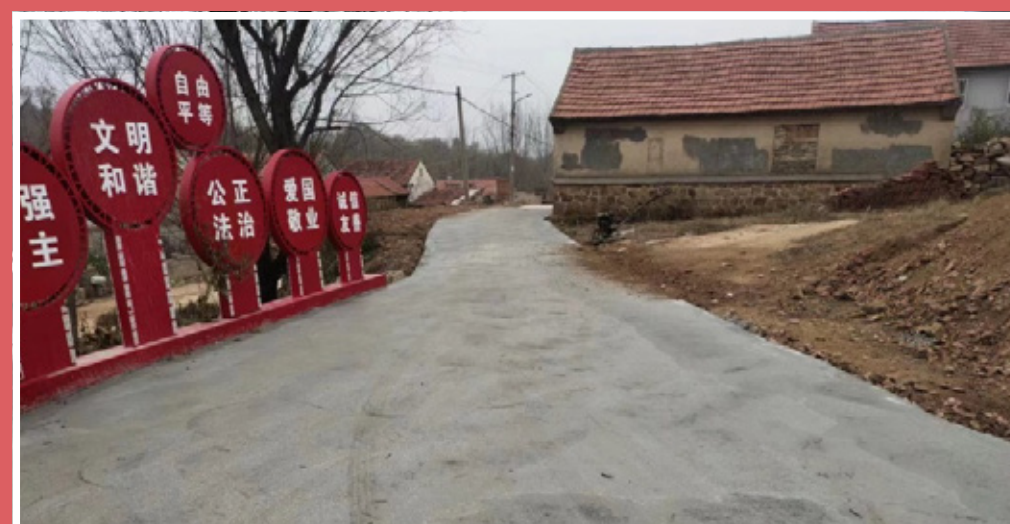
## FEEDBACK TO LOCAL COMMUNITIES

In 2022, we continued to demonstrate social responsibility in community feedback by providing infrastructure support and employment assistance, regularly organizing public welfare activities and cultural exchanges, and firmly making progress and common development with local communities.

### Domestic bases

#### Xianggou Village Road Construction Assistance Project

Our company strongly supported the development of infrastructure in surrounding villages and towns, and have invested RMB 200,000 to assist Xianggou Village, Silanzhuang Town, Zhaoyuan City, in completing the road construction and implementing the village-enterprise co-operation. The project was completed on November 24, 2022, and is now in use.



#### Hubei Linglong Practices Corporate Social Responsibility

Since 2020, Hubei Linglong has been fully based on its own development, keen on public welfare undertakings and actively fulfilling its corporate social responsibilities.

- Solve the employment problem of the local disabled

As of December 2022, we provided a variety of job positions such as management and assistance, as well as living security to a total of 25 disabled employees. Effectively alleviated the employment pressure of local disabled groups, and continuously contributed to solving the employment problem of disabled groups.

- Donate ambulances

Hubei Linglong actively collaborated with the Jingmen Duodao District Government, trade unions, charity organizations, park management committees, and other units. On January 14, 2022, we purchased negative pressure ambulances to improve local medical security and contribute to the local public health industry.

### Overseas base

#### Thai Companies Actively Fulfill Social Responsibilities

Thailand Linglong continues to promote corporate culture and fulfill its social responsibility to help build the Company's brand culture and establish a localized business model. Up to December 2022, 23 donations have been made, covering medical development, environmental protection, youth growth, caring for the elderly and other areas.

- Medical development

In 2022, Thailand Linglong joined hands with the government and hospitals to boost the medical infrastructure of local hospitals and other hospitals, raise materials for donations to the society, and upgrade the local medical defense system.



Donations of materials and funds

Caring for the elderly



Helping medical infrastructure construction





**- Public charity activities**

During the reporting period, Thailand Linglong organized employees to participate in voluntary tree planting activities for several times, actively promoted the development of local ecological civilization. And coordinate with local police stations, village committees, Red Cross organizations, and other institutions to provide material assistance through public welfare donations and help build a harmonious community.



Tree planting activities



Tree planting activities

Public donation - Local police station



Activity sponsorship - Luo Yong Red Cross Specialty Fair

Public donation - County government



**- Brand promotion**

In 2022, Linglong Tire promoted brand culture, increased visibility and reputation, and established a good brand image in Thailand through event sponsorship and other activities. And we were fortunate to be invited to participate in the 50th anniversary celebration of the establishment of the Thai Industrial Bureau, contributing to deepening China Thailand economic cooperation as a Chinese overseas enterprise.



Sponsor golf tournament



Being invited to attend the 50th Dinner of the Thai Industrial Bureau

**Boosting low carbon development**

We integrate the concept of sustainable development into all aspects of enterprise development. In 2022, we further deepened cooperation with Wolfsburg, the Bundesliga powerhouse, inherited the concept of sustainable development in the global scope, and continuously contributed its strength to promote the sports spirit, create a beautiful ecological environment for humankind, and promote the global green and low-carbon development.

**Join hands with Wolfsburg for the Zero Carbon Campaign**

In February 2022, the Company and Wolfsburg, the Bundesliga powerhouse held a signing ceremony to renew the contract. Through this signing, Linglong became the official climate partner of Wolfsburg which based on maintaining Wolfsburg's top partner and partner of Wolfsburg & armband sponsor. Next, we will cooperate with Wolfsburg in depth to contribute more to the "Race to Zero" movement and promote international ecological environment protection.







## ADVOCATE FOR VOLUNTEERING

We called on employees to actively participate in voluntary activities and formed Linglong Youth Service Team, which participated in 372 volunteer services in 2022 with a total service duration of 2,117 hours.



## CARING FOR THE GROWTH OF YOUTH

Teenagers are the future and hope of a country. For many years, Linglong Tire has continuously cared for the youth group and contributed corporate strength to the healthy growth of the young generation.

### Public Charity Donations from Thailand Company

In 2022, Thailand Linglong made several donations to local primary schools, assisted in improving educational conditions, opening the door to hope for students. In the future, we will continue assisting local education, help promote the development of education, and make greater contributions to the progress of local communities.



Sponsor Surasa Primary School Children's Day Sponsor  
Tire sponsorship for Tong Shui School

### Serbian Companies Care for People with Developmental Disabilities

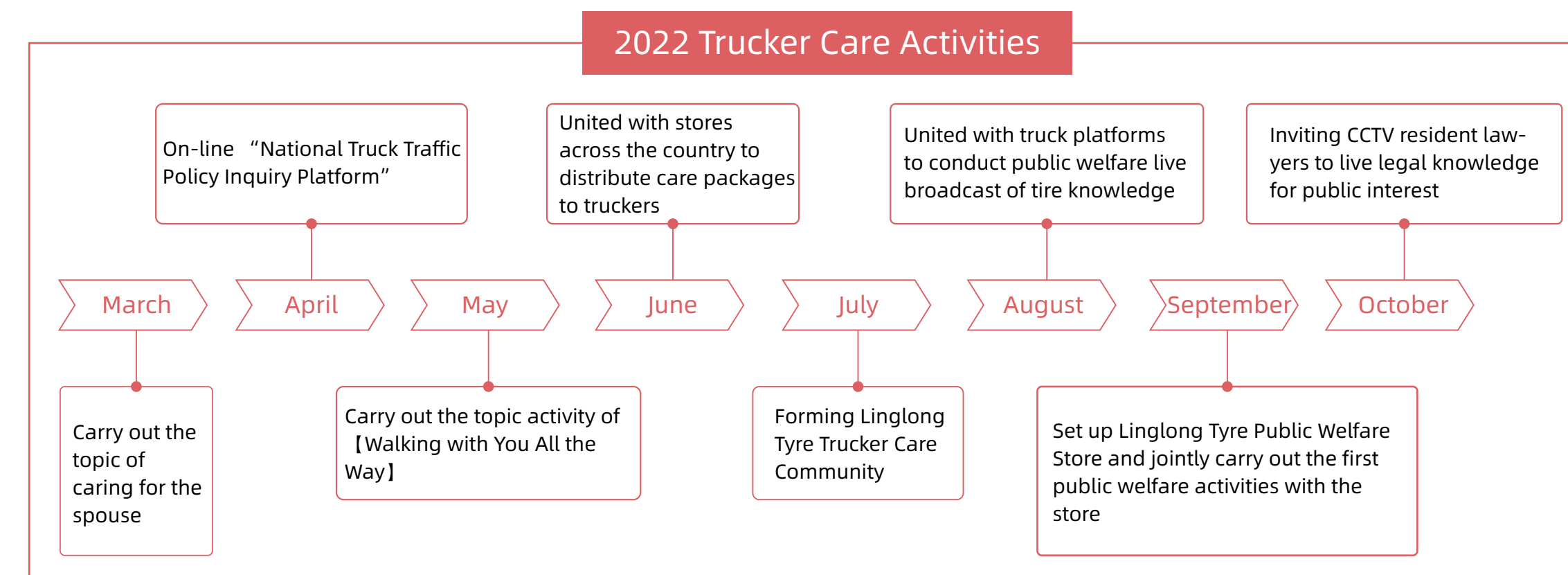
On the eve of the New Year in 2023, representatives of Linglong International Europe d.o.o. came to the Most Social Protection Service Center in Zrenjanin with carefully prepared gifts to bring festive greetings and greetings to children, adolescents, and adults with developmental disabilities. Representatives of the Zrenjanin municipal government, including Mayor Simo Salapura and relevant staff, participated in the activity and enjoyed the party together with about 50 children and adults from Most Social Protection Service Center.

## PUBLIC CHARITY FUNDS AND ACTIVITIES

We have actively carried out public welfare projects and will continue the "Trucker Care Program" in 2022 to bring understanding and care to truckers and relatives. Through Yingcheng Hospital, medical and public welfare services such as free clinics are organized to facilitate local communities' works and benefit the public. In addition, we actively participated in the Green Safety Week activities, provided green travel science for the public, and integrated environmental sustainability with public welfare, which was highly recognized.

### "Trucker Care Program"

In 2022, with the participation of all sectors, Linglong Tire Trucker Care Program was carried out in 70+ cities offline, caring for more than 12,000 truckers. Relying on its continuous practice in the field of trucker care, the Program has successfully entered the "truck driver career development and guarantee action" project of the all-China Federation of trade unions, and has become the only manufacturing enterprise selected, and has been recognized by industry authorities.



### Green Safety Week

During the Green Safety Week, our company and the China Rubber Association jointly organized a live broadcast on the theme of "Tires and Things" to discuss tire safety performance, tire maintenance and other knowledge, popularize the concept of green travel and safe travel to the public, and through the Green Safety Week, disseminate our company's public welfare project "Trucker Care Program" for the benefit of the vast number of truckers. In August 2022, we were awarded the title of "2022 China Green Tire Safety Week Public Welfare Enterprise".







# 12

## SOCIAL RESPONSIBILITY MANAGEMENT PRACTICE

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## STAKEHOLDER ENGAGEMENT

Stakeholders in our sustainable development include employees, shareholders, and investors (including index agencies), communities, customers and users, supply chains, agents, government and regulatory authorities, financial institutions, industry associations, competitors, media, NGOs, etc. Different business departments of our company are responsible for communication and exchange with various stakeholders and keep written records when necessary. According to the frequency of daily interaction and the degree of economic, environmental, and social interaction with us, we have determined that employees, shareholders, customers, agents, and supply chains, as well as government and other regulatory authorities are our key stakeholders.

### Key stakeholder participation

Stakeholders	Contents of communication	Communication mode	Frequency of communication	Docking department
Employees	Occupational health and safety, welfare benefits, training and career development, business ethics, intellectual property rights, technical confidentiality, and non-competition requirements.	Induction training, annual training programs, regular and irregular meetings, information bulletin boards, company intranet, company email, company WeChat platform, staff representative meetings, regular assessment	Regular: staff representative meetings, annual debriefing, annual training, and weekly, monthly, quarterly, and annual regular meetings Irregular: letters from employees, WeChat platform, irregular meetings	Human Resources Department Safety and Environment Department
Shareholders and investors (including index institutions)	Financial performance, Brand image Corporate governance, ESG risk management	Board of Directors General meeting of shareholders Road show	Regular meetings and ad hoc meetings	Board Office
Customers and users	Customer service, Product innovation Product quality, Control of environmental substances in products, Technical support Whether social responsibility/ESG strategies, policies and performance are aligned with the customer's own supply chain requirements	Annual customer satisfaction survey Quality certification, Customer review Order or contract response Regular/irregular visits to customers by phone or email to communicate feedback	Regular: Annual customer satisfaction survey Irregular: Order or contract term requirements, customer reviews, visits, and phone/email communications	Marketing Department
Agents and supply chain	Sustainable development strategy of the Company Supply chain management Anti-corruption	Agents and suppliers' review Agents and suppliers training Telephone or e-mail communication feedback	Regular: Supplier annual review Irregular: Telephone and email communication	Marketing Department Manufacturing and Supply Chain Management Department Purchasing Department
Government and other regulatory agencies	Compliance with laws and regulations Information publicity and disclosure Consistency between sustainable development strategy and government policy orientation	Government official website policy acquisition Receive government documents Environmental protection, safety production, fire protection, employment, taxation and other compliance supervision and inspection Participate in regulatory regulation briefing, seminar, or symposium Regular/irregular visits Annual report, semi-annual report, and announcement	Regular: annual report, semi-annual report Irregular: subject to government policies and regulations	Human Resources Department Office of the Presidents Board Office





## ANALYSIS OF SUBSTANTIVE ISSUES

In determining the substantive issues of this report, we conducted interviews with various functional departments, summarized and analyzed the concerns and requirements successively put forward by relevant stakeholders in recent years. In combination with the important impacts of our company's major business processes on the economic, environmental, and social levels, we identified the substantive issues to be disclosed in the 2022 Annual Sustainable Development Report and its reporting scope through the analysis in these two dimensions.

### Selection of substantive issues

With reference to the GRI standard, the ISO26000 Social Responsibility Guide International Standard, the MSCI ESG Industry Substantive Issue Map, the United Nations SDGs, domestic and foreign industry development trends and global sustainable development issue trends, and so on, our Social Responsibility Working Team has screened out corporate related social responsibility issues after discussion with internal and external experts.

### Importance analysis of issues

Through daily communication with stakeholders, each department of our company understands the importance it attaches to corporate social responsibility issues from the perspective of each stakeholder. Analyze the impact of various social responsibility issues on our company's operations through our company's management and management at all levels

### Sequencing of substantive issues

According to the two dimensions of "impact on stakeholders" and "impact on economy, environment and society", all substantive issues are prioritized, and a total of 20 substantive issues are identified.

### Review and discussion

The substantive issues identified are described in detail in the Report as a basis for our company's attention to non-financial indicator information and to meet the expectations of various stakeholders. After confirmation, the list of substantive issues will be approved by the regulatory authorities. In the future, we will adopt the suggestions of more experts and scholars on the basis of the participation of stakeholders to ensure that the contents of the Report are transparent, reasonable and balanced

## Identification Process of Substantive Issues

## List of Substantive Issues

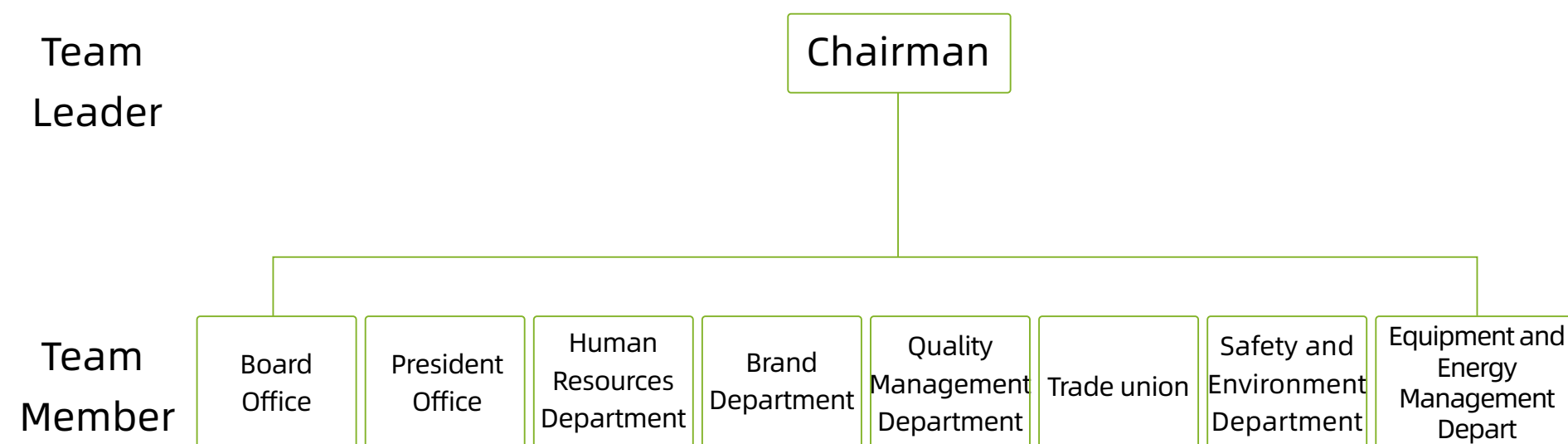
Topic	S/N	Substantive Issues	Scope of disclosure
Governance	1.	Governance structure	Inside the Company
	2.	Compliance operation	Inside the Company
	3.	Anti-corruption	Inside the Company&Supply Chain
Economy	4.	Economic Performance	Inside the Company
	5.	Responsible purchasing	Inside the Company&Supply Chain
Environment	6.	Energy resources management	Inside the Company
	7.	Water and effluents	Inside the Company
	8.	Exhaust emissions	Inside the Company
	9.	Waste management	Inside the Company
	10.	Delaying and adapting to climate change	Inside the Company
	11.	Environmental compliance	Inside the Company
	12.	Intellectual property protection	Inside the Company
Society	13.	Scientific and technological innovation	Inside the Company
	14.	Customer relationship management	Inside the Company
	15.	Production safety	Inside the Company
	16.	Diversity and equal opportunity	Inside the Company
	17.	Employee benefits	Inside the Company
	18.	Occupational health and safety	Inside the Company
	19.	Training and education	Inside the Company
	20.	Local community	Inside the Company





## SOCIAL RESPONSIBILITY MANAGEMENT PRACTICE

We have set up a leading team to fulfill social responsibility to deliberate, discuss and make decisions on the direction, content, and implementation of corporate social responsibility work. At the same time, we have set up a working team to undertake the daily management responsibilities of social responsibility work. The Board of Directors is the highest leading body for our company to fulfill its social responsibilities, and is responsible for reviewing social responsibility management plans, annual social responsibility reports and other core social responsibility work. The functional departments and subsidiaries of the headquarters are the concrete practice institutions of social responsibility and the implementation subjects to ensure the continuity and advancement of social responsibility work.



Based on the above principles, we have established management systems for quality, environment, occupational health and safety, energy and information safety, and has introduced SA8000 and other standards to establish a corporate social responsibility management system, which sets out a series of regulations for the protection of shareholders' and creditors' rights and interests, protection of employees' rights and interests, protection of suppliers, customers' and consumers' rights and interests, environmental protection and sustainable development, production safety, quality management, public relations and social welfare undertakings, and information disclosure. By formulating target indicators and operation management systems and measures for these social responsibility issues, we allocate relevant resources to integrate social responsibility into the departmental performance appraisal system and ensure continuous improvement of the management system through systematic monitoring.



### Performance Enhancement Principles

Adhering to the combination of social responsibility and corporate operation, while striving to create more and better economic value, we will manage the impact of corporate operation on stakeholders and maximize the creation of comprehensive economic, environmental, and social value.



### Service Strategic Principles

Driven by the corporate mission of "feeling for society and serving the country by industry", the concept of social responsibility is integrated into the corporate development strategy to comprehensively serve the corporate strategic objectives.



### Principle of Benefit Unification

We will implement the new development concept of "innovation, coordination, green, openness and sharing," incorporate the performance of social responsibilities into the operation of enterprises, and strive to achieve the unity of economic benefits, social benefits, and environmental benefits of enterprises.



### Principle of Continuous Improvement

We will continue to improve the system, establish an effective communication mechanism with external stakeholders, actively participate in the management of global sustainable development issues, and better promote corporate social responsibility.

Unit	ISO9001	IATF16949	ISO14001	ISO45001	ISO50001	TISAX
Shandong Linglong	√	√	√	√	√	√
Dezhou Linglong	√	√	√	√	/	/
Guangxi Linglong	√	√	√	√	/	/
Hubei Linglong	√	√	√	√	/	/
LLIT	√	√	√	√	/	/
Linglong electromechanical	√	/	√	√	/	/





# GRI INDEX

**Direction for Use** We reported the information referenced in this GRI content index from January 1, 2022 to December 31, 2022 with reference to the GRI standard.

**GRI1 Used** GRI 1: Foundation 2021

GRI Standard	Disclosure Item	Chapters
	1. Organization and its reporting practices	
	2-1 Organization details	About Linglong, corporate governance and operation
	2-2 Entities included in the organization's sustainability report	Introduction to the Report
	2-3 Reporting period, reporting frequency and contacts	Introduction to the Report
	2-4 Restatements of information	In response to climate change, carbon emission factors have changed
	2-5 External assurance	Verification statement
	2. Activities and workers	
GRI 2: General Disclosure 2021	2-6 Activities, value chains and other business relationships	About Linglong
	2-7 Employee	The Company operates and regulates the employment relationship
	3. Governance	
	2-9 Governance structure and composition	Corporate governance, corporate operations
	2-10 Nomination and selection of the supreme governing body	Corporate governance
	2-11 Chairman of the supreme governing body	Corporate operations
	2-12 In terms of management impact, the oversight role of the supreme governing body	Corporate governance
	2-14 Role of the supreme governing body in the Sustainable Development Report	Corporate governance, analysis of substantive issues

GRI Standard	Disclosure Item	Chapters
	4、Strategies, policies and practices	
	2-22 Statement on sustainable development strategy	Message from Chairman
	2-23 Policy commitments	Industry contribution
	2-26 Mechanisms for seeking advice and raising concerns	Regulating employment relationship
GRI 2: General Disclosure 2021	2-27 Comply with laws and regulations	Compliance management
	2-28 Membership of associations	Industry contribution
	5. Stakeholder participation	
	2-29 Stakeholder engagement approach	Stakeholder participation
	2-30 Collective bargaining agreements	Regulating employment relationship
GRI 3: Substantive Issues 2021	3-1 Process of determining substantive issues	Analysis of substantive issues
	3-2 List of substantive issues	Analysis of substantive issues
GRI 201: Economic Performance 2016	3-3 Management of substantive issues	Social responsibility management practice
	201-1 Economic value directly generated and distributed	Corporate operations
	3-3 Management of substantive issues	Compliance management
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance management
	205-3 Corruption incidents identified, and actions taken	Compliance management
GRI 206: Unfair Competition Behavior	3-3 Management of substantive issues	Compliance management
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance management





GRI Standard	Disclosure Item	Chapters
GRI 302: Energy 2016	3-3 Management of substantive issues	Addressing climate change
	302-1 Energy consumption within the organization	Green process
	302-3 Energy intensity	Addressing climate change
	302-4 Reduction of energy consumption	Addressing climate change
GRI 303: Water Resources 2018	3-3 Management of substantive issues	Green process, discharge disposal
	303-1 Interaction between organization and water (as a shared resource)	Green process, discharge disposal
	303-2 Management of water discharge-related impacts	Green process, discharge disposal
	303-3 Water withdrawal	Green process
	303-4 Water discharge	Discharge disposal
GRI 304: Biodiversity	3-3 Management of substantive issues	Biodiversity Protection
	304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity Protection
GRI 305: Emissions 2016	3-3 Management of substantive issues	Addressing climate change
	305-1 Direct (Scope 1) GHG emissions	Addressing climate change
	305-2 Energy indirect (Scope 2) GHG emissions	Addressing climate change
	305-4 GHG Emissions Intensity	Addressing climate change
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Emission disposal

GRI Standard	Disclosure Item	Chapters
GRI 306: Sewage and Waste 2020	3-3 Management of substantive issues	Discharge disposal
	306-1 Waste generation and significant waste-related impacts	Discharge disposal
	306-2 Management of significant waste-related impacts	Discharge disposal
	306-5 Waste directed to disposal	Discharge disposal
GRI 308: Supply Chain Environmental Assessment 2016	3-3 Management of substantive issues	Sustainable management mode
	308-1 New suppliers that were screened using environmental criteria	Sustainable management mode
GRI 401: Employment 2016	3-3 Management of substantive issues	Regulating employment relationship
	401-1 New employee hires and employee turnover	Regulating employment relationship
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Regulating employment relationship
GRI 403: Occupational Health and Safety 2018	3-3 Management of substantive issues	Intrinsic safety of production
	403-1 Occupational health and safety management system	Intrinsic safety of production
	403-2 Hazard identification, risk assessment and incident investigation	Intrinsic safety of production
	403-3 Occupational health services	Intrinsic safety of production
	403-4 Worker participation, consultation, and communication on occupational health and safety	Regulating employment relationship
	403-5 Worker training on occupational health and safety	Intrinsic safety of production
403-6 Promotion of worker's health	Regulating employment relationship	







GRI Standard	Disclosure Item	Chapters
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts related to business relations	Intrinsic safety of production
	403-8 Workers covered by occupational health and safety management system	Intrinsic safety of production
	403-9 Work-related injuries	Building a happy workplace
GRI 404: Training and Education 2016	3-3 Management of substantive issues	Training and professional development
	404-1 Average hours of training per year per employee	Training and professional development
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and professional development
GRI 405: Diversity and Equal Opportunities 2016	3-3 Management of substantive issues	Corporate operations, regulating employment relationship
	405-1 Diversity of governance bodies and employees	Corporate operations, regulating employment relationship
GRI 406: Anti-discrimination 2016	3-3 Management of substantive issues	Regulating employment relationship
	406-1 Discrimination incidents and corrective actions taken	Regulating employment relationship
GRI 408: Child Labor 2016	3-3 Management of substantive issues	Regulating employment relationship
	408-1 Operations and suppliers at significant risk for incidents of child labor	Regulating employment relationship
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of substantive issues	Regulating employment relationship
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Regulating employment relationship

GRI Standard	Disclosure Item	Chapters
GRI 414: Supplier Social Assessment 2016	3-3 Management of substantive issues	Sustainable management mode
	414-1 New suppliers that were screened using social criteria	Sustainable management mode
GRI 416: Customer Health and Safety 2016	3-3 Management of substantive issues	Product responsibility and innovation
	416-1 Assessment of the health and safety impacts for product and service categories	Product responsibility and innovation
	416-2 Non-compliance incidents involving health and safety impacts of products and services	Product responsibility and innovation
GRI 418: Customer Privacy 2016	3-3 Management of substantive issues	Internal control system
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Internal control system





## ASSURANCE STATEMENT

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANDONG LINGLONG TYRE CO., LTD.'S SUSTAINABILITY REPORT FOR 2022

#### NATURE AND SCOPE 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 LINGLONG's sustainability report for 2022 (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 Board of Directors and Sustainability Committee of LINGLONG.

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

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, which including:

- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021, for report quality
  - GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
  - GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manage each topic
- and the guidance on levels of assurance contained within the AA1000 series of standards.

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

- SGS ESG & SRA verification regulations (based on GRI Principles and guidance in AA 1000 )

The Assurance has been conducted at a moderate level of scrutiny.

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below, and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021 (Reference)
- SSE <Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation>

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, on-site interviewed with relevant employees including the LINGLONG group which is located at No. 777, Jinlong Road, Zhaoyuan City, Shandong Province, P.R.China; Documentations and records were reviewed and validated with relevant employees of the other subsidiaries as necessary.

#### LIMITATIONS AND MITIGATION

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

The on-site verification was only at the LINGLONG group. The assurance process only involved interviews with the heads of relevant departments and certain employees of group as well as consultation with relevant documents. No external stakeholders involved.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. 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, and comprised of CCAA registered ISO 9001, ISO 14001 and ISO 45001 auditor, SGS recognized ISO37001 and CSR/ESG lead auditor.

#### FINDINGS AND CONCLUSIONS

#### ASSURANCE/VERIFICATION OPINION

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

The assurance team believes that the Report is with reference to the GRI Standards 2021.

#### Principles

##### Accuracy

LINGLONG's information in the report was accurate, enable to release multiple qualitative and quantitative information with indicators for stakeholders.

##### Balance

The Report followed the balance principle and truthfully disclosed the positive and negative information.

##### Clarity

The Report was presented different ways with words, charts, graphics and pictures, also described with actual cases to ensure the stakeholders understanding easily.

##### Comparability

LINGLONG had disclosed performance indicators in 2022, previous data of partial indicators were disclosed, which could help stakeholders to understand and compare the improved performance year by year.





**Completeness**

The Report included coverage of material aspects and boundaries, to reflect significant economic, environmental and social impacts and enable stakeholders to assess the organization's performance in the reporting period.

**Sustainability Context**

LINGLONG had presented the efforts on sustainability development related to economic, environmental and social aspects and combined the performance in the wide context as well.

**Timeliness**

Verification showed that the reported data and information was timely and effective.

**Verifiability**

The data and information can be traced and verified.

**Management Approach**

The Report had disclosed the management approach of identified material topics.

**General Disclosures**

The general disclosures were presented partially in accordance with GRI 2: general disclosures 2021.

**Topic-Specific Disclosures**

LINGLONG's topic-specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with GRI Standards 2021.

**Findings and recommendations**

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of LINGLONG for continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin  
Sr. Director – Knowledge  
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Apr. 14<sup>th</sup> 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)