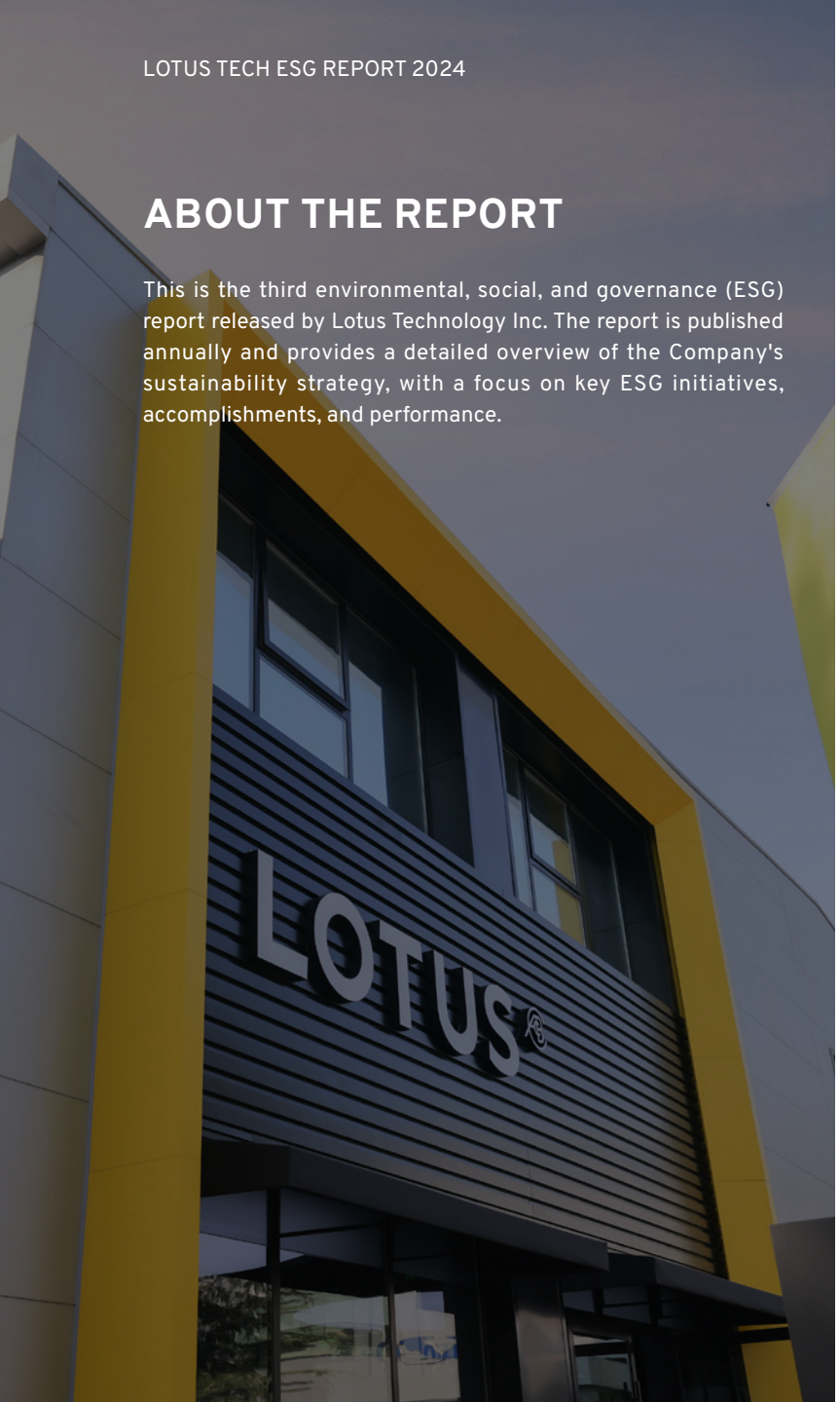
LOTUS TECHNOLOGY INC.
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT 2024

CONTENTS

ABOUT THE REPORT

This is the third environmental, social, and governance (ESG) report released by Lotus Technology Inc. The report is published annually and provides a detailed overview of the Company's sustainability strategy, with a focus on key ESG initiatives, accomplishments, and performance.



REFERENT EXPLANATION

For readability, "Lotus Tech", "the Company" or "we" in this report refers to Lotus Technology Inc. and its subsidiaries.

REPORTING SCOPE

Unless otherwise specified, this report covers the relevant information regarding Lotus Tech and its subsidiaries. The report covers the period from January 1, 2024 to December 31, 2024, and includes additional information beyond the stated reporting period.

COMPILATION CONFORMANCE

The report has been prepared in accordance with the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB). It also references the Sustainability Accounting Standards Board (SASB) Standards, the United Nations Sustainable Development Goals (SDGs), the *International Financial Reporting Sustainability Disclosure Standard 1 — General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)* and *International Financial Reporting Sustainability Disclosure Standard 2 — Climate-related Disclosures (IFRS S2)*, published by the International Sustainability Standards Board (ISSB).

REPORTING DATA

The information and data used in this report has been collected, consolidated and reviewed by relevant departments.

DISCLAIMER

This report contains forward-looking statements, including future development goals and investment plans, that only involve the events or information on the date the statements are made. Building upon the Company's current expectations, assumptions, estimates and forecasts, such forward-looking statements are based on the existing industrial and regulatory environments. Future uncertainties and other unpredictable factors may cause the actual results, performance or achievements to be materially different from those in forward-looking statements. The Company undertakes no obligation to update any forward-looking statements in this report.

ACCESS TO THE REPORT

This report is available in electronic version at www.group-lotus.com to view or download.

Address: 18 Vine Hill, London
Postal Code: EC1R 5DZ
E-mail: esg@lotuscars.com.cn

MESSAGE FROM MANAGEMENT

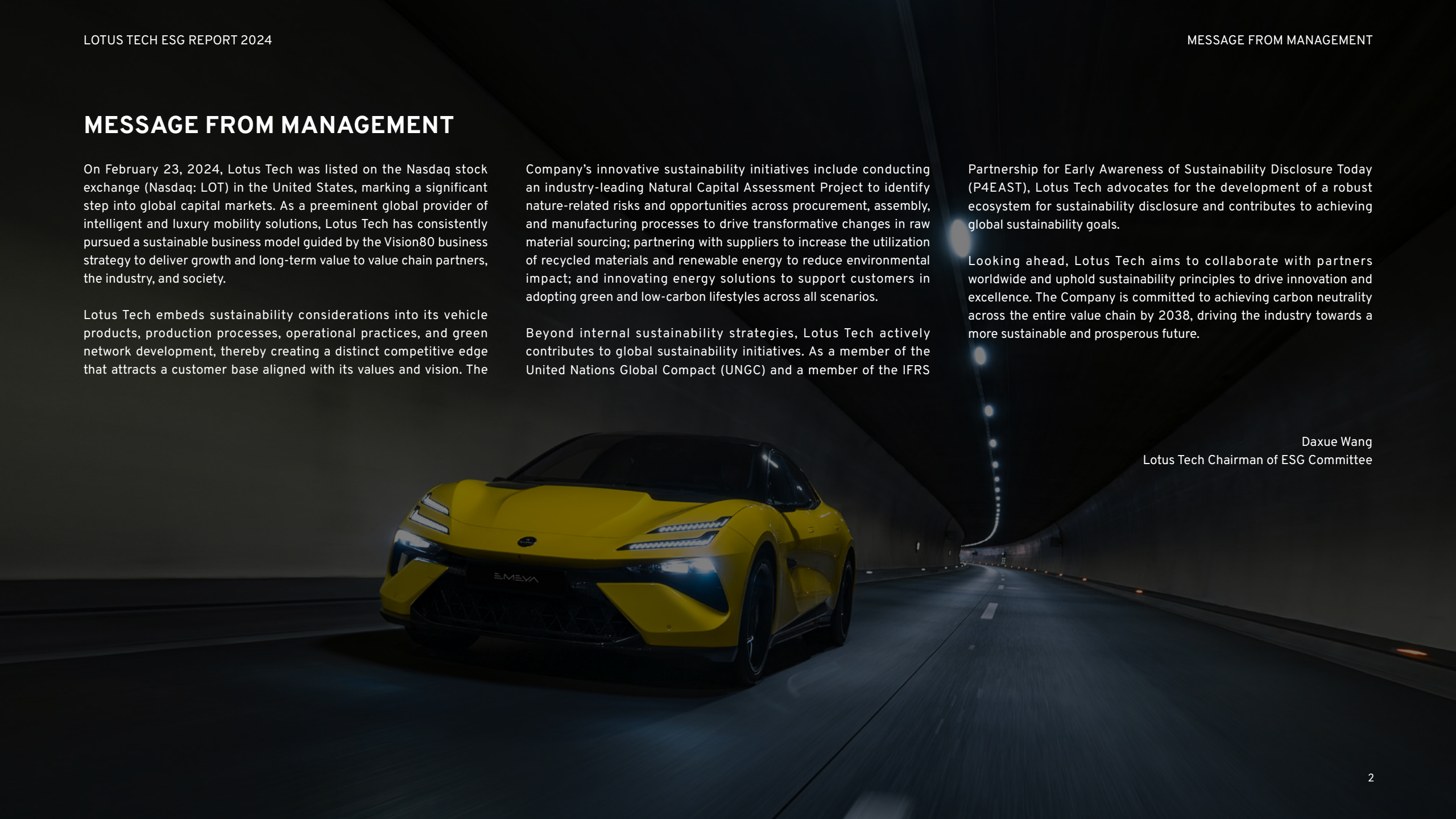
On February 23, 2024, Lotus Tech was listed on the Nasdaq stock exchange (Nasdaq: LOT) in the United States, marking a significant step into global capital markets. As a preeminent global provider of intelligent and luxury mobility solutions, Lotus Tech has consistently pursued a sustainable business model guided by the Vision80 business strategy to deliver growth and long-term value to value chain partners, the industry, and society.

Lotus Tech embeds sustainability considerations into its vehicle products, production processes, operational practices, and green network development, thereby creating a distinct competitive edge that attracts a customer base aligned with its values and vision. The Company's innovative sustainability initiatives include conducting an industry-leading Natural Capital Assessment Project to identify nature-related risks and opportunities across procurement, assembly, and manufacturing processes to drive transformative changes in raw material sourcing; partnering with suppliers to increase the utilization of recycled materials and renewable energy to reduce environmental impact; and innovating energy solutions to support customers in adopting green and low-carbon lifestyles across all scenarios.

Beyond internal sustainability strategies, Lotus Tech actively contributes to global sustainability initiatives. As a member of the United Nations Global Compact (UNGC) and a member of the IFRS Partnership for Early Awareness of Sustainability Disclosure Today (P4EAST), Lotus Tech advocates for the development of a robust ecosystem for sustainability disclosure and contributes to achieving global sustainability goals.

Looking ahead, Lotus Tech aims to collaborate with partners worldwide and uphold sustainability principles to drive innovation and excellence. The Company is committed to achieving carbon neutrality across the entire value chain by 2038, driving the industry towards a more sustainable and prosperous future.

Daxue Wang
Lotus Tech Chairman of ESG Committee



ABOUT LOTUS TECH

Lotus Tech is a leading global provider of intelligent and luxury mobility solutions under the iconic British brand "Lotus" and was listed on the Nasdaq stock exchange on February 23, 2024 (Nasdaq: LOT). With over seven decades of racing heritage and proven leadership in the automotive industry, the Lotus brand symbolizes the market-leading standards in performance, design and engineering. Fusing proprietary next-generation technology built on world-class research and development capabilities and an asset-light model empowered by Geely Holding Group, the Company is breaking new grounds in electrification, digitization and intelligence while driving sustainable growth and creating long-term value for shareholders, the industry, and society.

With over 76 years of engineering and performance expertise, Lotus Tech has introduced electric vehicle models that set new standards for automotive excellence, including LOTUS ELETRE, a luxury hyper-SUV, and LOTUS EMEYA, a luxury hyper-GT, with plans to broaden its portfolio of luxury EVs featuring groundbreaking technologies in the coming years. Together with stakeholders, Lotus Tech is leading the industry's transition to sustainable mobility and is committed to achieving carbon neutrality across the entire value chain by 2038.

As a member of UNGC and P4EAST, Lotus Tech adheres to high international ESG standards, aligning its ESG strategy with the SDGs to contribute to global objectives. In 2024, Lotus Tech won the Highly Commended in the Business Transformation category at Reuters Sustainability Awards, showcasing its commitment to supporting the UN SDGs and leading the industry toward a green and sustainable future.

SUSTAINABILITY MANAGEMENT

Sustainability is at the core of Lotus Tech's initiatives and practices. Acknowledging stakeholders' and society's expectations, Lotus Tech has integrated sustainability into its core business and defined clear ESG strategy framework to facilitate effective sustainability management. Lotus Tech also participates in global initiatives, in order to accelerate the transition to a sustainable world. As a member of UNGC, the Company embraces its Ten Principles and pledges to uphold responsible business practices aligned with the SDGs. Furthermore, as a member of P4EAST, Lotus Tech is committed to continuously supporting ISSB in developing global sustainability disclosure standards and jointly building a good ecosystem for sustainability disclosure.

ESG MANAGEMENT SYSTEM

Sustainability management is an integrated part of daily decision-making and operations at Lotus Tech. The Company has introduced a solid management system with well-defined responsibility to direct all departments in enhancing sustainability management proficiency and bolstering management efficiency.

The Board of Directors at Lotus Tech oversees the sustainability efforts within the Company. Their responsibilities include identifying, assessing, and managing key ESG risks and challenges linked to business activities. The ESG Committee is tasked with crafting the ESG strategy and plan and executing specific sustainability actions. A designated ESG Working Group, reporting to the Committee, consists of experts in ESG management, carbon neutrality, supply chain management, compliance, finance, etc., and is responsible for coordinating and leading sustainability initiatives implementation in various departments and business units.

In 2024, the Company integrated sustainability metrics into its overall business performance evaluations, which include quarterly, semi-annual, and annual assessments across key areas such as organizational management, operations, planning and execution, compliance and business ethics, and carbon management. This approach aims to drive sustainable operations, enhance competitiveness, and generate long-term value.

To strengthen its sustainability management and practices, Lotus Tech has established an internal communication and training network. In 2024, the Company conducted specialized training for all employees on ESG concepts, compliance management, information security, carbon management, and biodiversity conservation. These programs aim to foster a shared commitment to sustainability and embed these principles into daily operations and corporate culture.

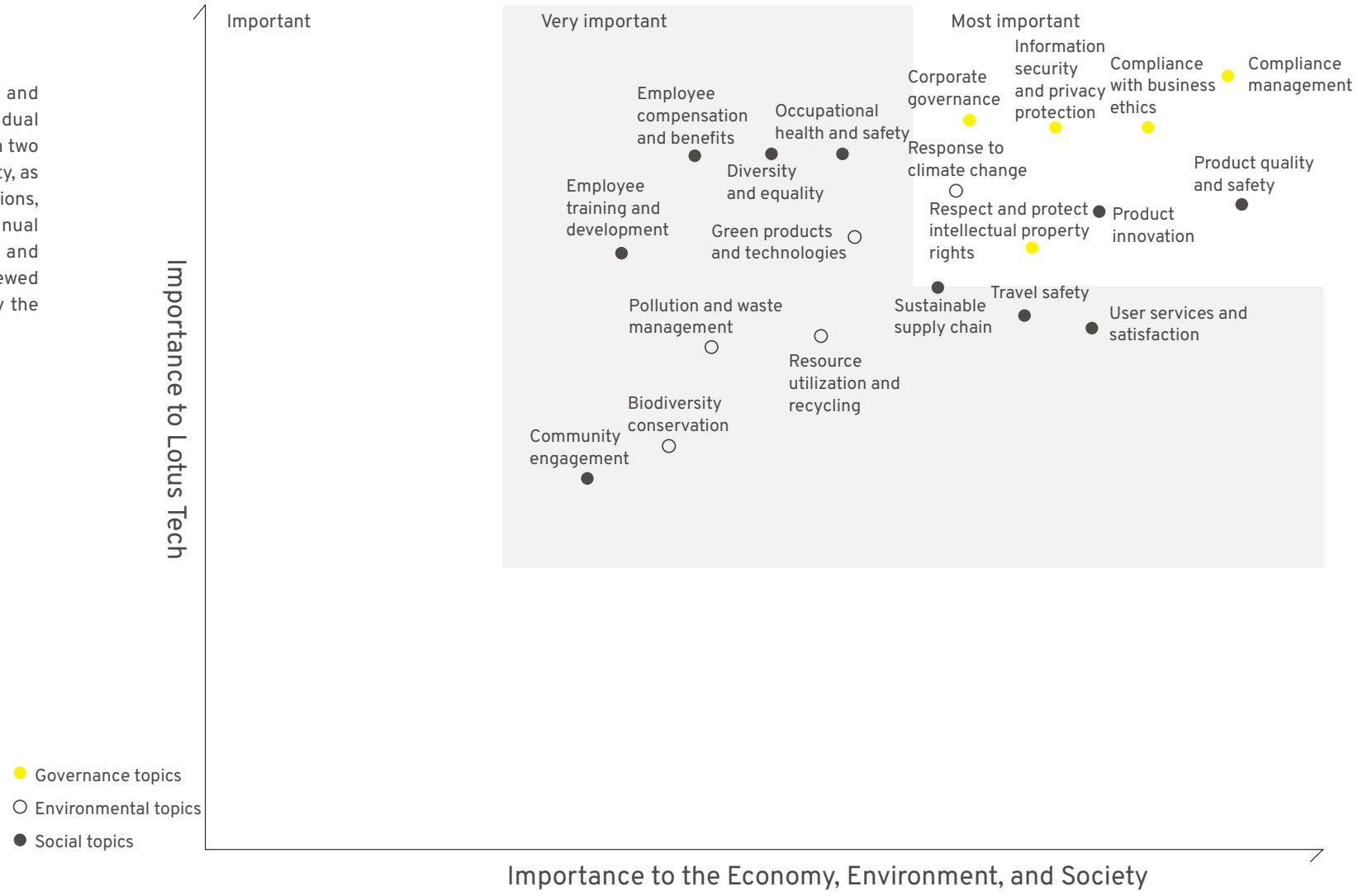
ESG STRATEGY

Lotus Tech takes the SDGs as a guide for sustainable growth and action, and an ESG strategic framework is in place to direct activities throughout the value chain. This approach ensures the integration of sustainability principles into the Company's core values, business decisions, and daily operations. In 2023, the Company achieved significant progress in areas of nature positive, climate neutrality, sustainable supply chain, inclusion and equality, community contribution, and transparent governance.

ESG Strategic Pillars	Strategic Plans	Strategic Progress	Contributions to SDGs
Nature Positive	· Natural capital assessment · Promoting the percentage of recyclable and recycled materials · Biodiversity conservation	· Completed the Raw Material Natural Capital Assessment Project and established greenhouse gas (GHG) emission reduction targets for the supply chain based on the evaluation results. · Participated in the World Economic Forum (WEF) 's Nature Positive Transitions Report series, with the Raw Material Natural Capital Assessment Project recognized as an industry-leading practice in the report. · Collaborated with local governments to establish strategic partnerships for biodiversity conservation. · Reduced the environmental footprint of products through efficient vehicle design and increased use of recyclable and recycled materials.	
Climate Neutrality	· Green factory · Low-carbon operation · Developing low-carbon and circular production models	· Increased the proportion of renewable energy used in the Lotus Global Smart Factory. · Conducted research on strategic direction and pathways to achieve carbon neutrality across the entire value chain by 2038. · Promoted green office practices and low-carbon business travel.	
Sustainable Supply Chain	· Supply chain ESG risk management · Exchanges and capacity building among suppliers	· Integrated sustainability capabilities into the supplier evaluation system. · Tracked the origins of products and raw materials from key suppliers based on a digital raw material traceability platform.	
Inclusion and Equality	· Diversity and inclusion initiatives · Women empowerment projects · Enhancing employee's digital competence	· Continued to promote cross-cultural exchange activities. · Advanced projects related to leadership development for women.	
Community Contribution	· Establishing a management system for public welfare projects · Instituting a safety function development and management system to mitigate mobility risks and ensure the safety of road participants · Advancing the social application of data value	· Focused on public welfare fields such as children's education, care for vulnerable groups, and ecological protection to explore innovative charitable models. · Developed combined driver assistance technology to ensure the safety of road participants. · Participated in the formulation of industry standards.	
Transparent Governance	· Establishing a "proactive" compliance management system · Empowering partners in sustainability development · Increasing information transparency · Building the management system of accountable vehicle data	· Strengthened the compliance management system by conducting regular risk assessments and audits and enhanced employees' compliance awareness. · Standardized anti-trust management in R&D cooperation and information sharing processes. · Achieved certification in information security and privacy management systems, as well as the third-tier certification for the information security multi-level protection of information systems.	

MATERIALITY ASSESSMENT

Lotus Tech regularly engages employees, customers, partners, and other stakeholders in materiality assessments. Employing the dual materiality analysis approach, the Company evaluates topics from two dimensions: their impact on the economy, environment, and society, as well as their relevance to the Company's business model, operations, strategy, and financial health. This process allows for the continual updating of sustainability topics. In 2024, based on research and input from a professional consulting agency, the Company reviewed these topics and made necessary adjustments to better identify the potential impacts, risks, and opportunities each topic presents.



STAKEHOLDER COMMUNICATION

Lotus Tech values stakeholder engagement and regards their expectations and demands as critical considerations in its strategic planning and business decision-making.

The Company has cultivated a strong, trust-based relationship with stakeholders, including shareholders and customers. Through ongoing and diverse communications, Lotus Tech shares its sustainability values, collaborates with stakeholders to identify critical issues, and works together to create a long-term, mutually beneficial future.

Stakeholders	Focus		Communication and Feedback Channels	
Government and regulators	•Compliance management •Energy conservation and emission reduction	•Promotion of industrial development	•Periodic reports and announcements •Government-enterprise symposium	•Carbon neutrality strategy formulation •Provision of jobs
Shareholders and investors	•Business development •Compliance management	•Product and technological innovation •Financial performance	•Periodic reports and announcements •General meeting of shareholders and roadshow	•Communication via email and phone •Investor relations website
Employees	•Employee rights and interests •Occupational health and safety	•Diversity and equal relationship •Training and development	•Daily communication and meetings •OA platform	•Employee training •Employee satisfaction survey
Customers	•Responsible marketing •Product quality and safety	•Product and technological innovation	•Promotional activities •Social media	•Customer satisfaction survey •Feedback and complaint handling
Partners	•Business development •Supply chain empowerment	•Product and technological innovation	•Visits and exchanges •Supplier review	•Supplier/distributor training
Industry associations	•Product quality and safety •Product and technological innovation	•Sustainable mobility	•Industry information exchange and sharing •Participation in formulating industry standards	•Involvement in cooperative projects
Community	•Community development •Public welfare donation		•Provision of jobs •Participation in voluntary activities	

2024 LOTUS TECH FACTS

Highly Commended in the Business Transformation category at **Reuters Sustainability Awards 2024**

Decarbonization Leader at 2024 Sustainable Business Awards by European Union Chamber of Commerce in China

Green Apple Environment Award 2024 by Green Organization

Lotus Global Smart Factory was honored as a **"Leading Zero-Carbon Factory"** by the China Industrial Energy Conservation and Cleaner Production Association

Contribute to ClimateTech In Focus Report of **Shanghai Climate Week**, which was released at the 29th UN Climate Change Conference (COP29)

Raw Material Natural Capital Assessment Project was recognized as an industry-leading practice in the **WEF's Nature Positive Transitions Report series**

Corporate ESG Practice Award at **2024 Ram Charan Management Practice Award** by Harvard Business Review

Wuhan Lotus Technology Co., Ltd., a subsidiary of the Company, won the **Quality Innovation Award** granted by the China Association for Quality

DRIVING SUSTAINABLE MOBILITY

Lotus Tech is dedicated to advancing cutting-edge electric vehicle technologies through independent R&D. The Company delivers exceptional high-performance products with premium service experiences, and further drives the luxury BEV market towards a sustainable future.

DRIVING INNOVATION

Technological innovation is the cornerstone of Lotus Tech's long-term competitive edge. Lotus Tech has established robust management systems, including the *Copyright Management Measures* and *Trademark Management Measures* to enhance its world-class R&D capacities and foster continuous product and technological innovation. As of December 31, 2024, Lotus Tech had 539 issued patents and 839 pending patent applications in various jurisdictions such as Chinese mainland, the U.S., Japan, and the U.K., etc., including patents for our vehicle architecture, intelligent cabin, combined driver assistance technology, and fast charging related technologies. The Company also had 439 registered trademarks, including "ELETRE" and "EMEYA," registered copyrights to 51 software programs relating to various aspects of our operations, as well as 113 registered domain names.

Lotus Tech has introduced an intellectual property (IP) incentive program and revised the *IP Incentive Measures* to reward technological achievement-based IP, thereby further stimulating innovation. Additionally, Lotus Tech launched an IP-focused information sharing platform to provide guidance on patent applications, address common misconceptions, and publicly recognize IP-related achievements.

In 2024

USD **270** million R&D investment

QUALITY PRODUCTS

Lotus Tech integrates sustainability and innovation into its products and technologies. Through rigorous end-to-end quality management, the Company delivers products of exceptional quality to its users.

- LOTUS ELETRE and LOTUS EMEYA won two **Red Dot Design Awards** in Product Design for their aesthetically pleasing, functional, smart, and innovative designs.
- LOTUS ELETRE won the **top spot in the 2024 China Automotive Quality Research (AQR)** for high-end electric vehicle quality performance.
- LOTUS EMEYA won the **Huayu Awards for the 2024 Best Smart Cockpit by J.D. Power**.
- LOTUS EMEYA won the **2024 Automotive Disciplined Innovation Award — the Best Disciplined Innovation Car** by the International Automotive Quality Standardization Association (IAQSA).
- Road Bike TYPE 136 and Lotus 75th Anniversary Pen each won the 2024 **iF Design Award**.

GREEN MOBILITY

Lotus Tech is dedicated to innovative products and technologies that enhance users' experiences in sustainable mobility.

LOTUS ELETRE

➤ Sustainable Exterior Design

- The exterior design employs advanced aerodynamic principles, featuring seven sets of aerodynamically porous-designed air duct channels, achieving an exceptional drag coefficient of 0.26.
- Equipped with China's first delivered Electronic Rearview Mirror Display (ERMD) and the industry's first deployable LiDAR, further reducing aerodynamic drag during operation.
- The exterior components utilize lightweight materials such as carbon fiber, carbon ceramic, and SMC composite. The steel-aluminum hybrid body features aluminum content close to 50%, achieving significant weight reduction.
- Recycled aluminum and steel are utilized while the overall material recyclability rate exceeds 89%.

➤ Meticulous Interior Craftsmanship

- The model is the first vehicle in the automotive industry to incorporate WYRON truecycled® yarn, sourced from post-consumer textiles.
- The nylon used in the carpet is made from recycled materials.
- All interior adhesives utilize eco-friendly water-based or hot-melt adhesives.
- Interior panels feature natural and renewable solid wood.
- Seats use Ultrafabrics PU, an animal-free material produced with recycled water.
- Interior trim uses physical vapor deposition (PVD) technology, allowing for personalized color presentations while being more eco-friendly compared to traditional electroplating processes.

LOTUS EMEYA

➤ Sustainable Exterior Design

- The exterior design employs advanced aerodynamic principles, featuring four sets of aerodynamically porous-designed air duct channels, achieving an exceptional drag coefficient of 0.21.
- Equipped with the ERMD, deployable LiDAR, active rear diffuser, active air dam, and active front grille, further reducing aerodynamic drag during operation.
- The exterior components utilize lightweight materials such as carbon fiber, carbon ceramic. The steel-aluminum hybrid body features aluminum content close to 50%, achieving significant weight reduction.
- Recycled aluminum and steel are utilized while the overall material recyclability rate exceeds 91.4%.

➤ Meticulous Interior Craftsmanship

- The model incorporates WYRON truecycled® yarn, sourced from post-consumer textiles.
- The nylon used in the carpet is made from recycled materials.
- All interior adhesives utilize environmentally friendly water-based or hot-melt adhesives.
- Seats use Ultrafabrics PU, an animal-free material produced with recycled water.
- Interior trim uses PVD technology, allowing for personalized color presentations while being more eco-friendly compared to traditional electroplating processes.

THEORY 1

Lotus has unveiled its first concept car, THEORY 1, centered on advanced technology, material minimization, and sustainable development. In contrast to mainstream industry models that utilize hundreds of surface materials, THEORY 1 sets a **"Challenge of 10" goal, employing only ten main A-surface materials, with performance, lightweight and sustainable properties.** These materials include recycled carbon fiber, recycled aluminum, and recycled glass etc. By reducing material variety in the vehicle, Lotus Tech aims to promote resource circularity, decrease reliance on virgin resources, and further mitigate environmental impact.

► Sustainable Exterior Design

- All the gold elements are made from recycled aluminium.
- Dark metal components, both interior and exterior, are made from titanium to enhance durability and minimize waste generation from damage.
- Windows and windshields utilize recycled glass.

► Meticulous Interior Craftsmanship

- We used 100% recycled polyester, embodying our commitment to sustainability. By repurposing waste materials like PET bottles into high-performance textiles, we reduce dependence on virgin resources, minimize environmental impact, and promote a circular economy.
- Floor fasteners are made from recycled rubber.
- Headrests, crafted from elastic polyurethane using precise 3D printing technology, optimize comfort while minimizing resource consumption.

► Lightweight Performance Body Design

- The model utilizes recycled chopped carbon fiber.
- The cellulose composite under the satin white paint parts is made from renewable resources.
- The front hood is made of lightweight and durable transparent polycarbonate, replacing traditional metal materials to reduce vehicle energy consumption during driving.

INTELLIGENT ENERGY SOLUTIONS

Lotus Tech focuses on providing full-scenario intelligent energy solutions to meet diverse smart charging needs. The Company has introduced a comprehensive range of charging equipment, including Flash Charging Robot, Liquid-Cooled Power Cabinet, Liquid-Cooled Manual User Unit Ultra, Liquid-Cooled All-in-One DC Chargers, Air Cooled All-in-One DC Charger, Air-Cooled Power Cabinets, and Smart Solar-powered Storage and Robot Flash Charging Station. In addition, the Company offers Residential Battery Storage System and 7~22kW Smart AC Charger, providing integrated hardware and software intelligent energy solutions for both public transportation and residential scenarios, and building a high-quality energy service system. In 2024, the Liquid-Cooled All-in-One Chargers were tested and assessed by DEKRA and received the CB and CE certificates for the IEC 61851 series standards.

Moreover, the Company has developed the Digital Energy Platform (DOE), which offers a one-stop digital solution, ensuring user data security and independent operation, and empowering automotive partners with extensive needs in the field of new energy services. The Company continues to expand its flash charging network layout in core commercial areas and landmark locations. By constructing Flash Charging Station in 15 cities and launching third-party charging network services, it provides fast charging and energy replenishment services covering more than 90% of the cities in China. In 2024, Lotus Tech's charging business was among the first batch in the charging industry to be awarded IATF 16949 certification for the design and manufacturing of charging systems.

LOTUS LIFESTYLE

Lotus Tech has launched a range of lifestyle products that incorporate sustainable development principles, encouraging users to embrace a green and sustainable lifestyle.

Road Bike TYPE 136

- The Company has proposed the concept of "4+2=∞" to promote a holistic, limitless green lifestyle across all scenarios. As part of this concept, Lotus Tech has unveiled the global debut of its TYPE136, an innovative and versatile road bike designed for dynamic mobility.
- TYPE136 features a lightweight design and carbon fiber materials, with some components manufactured using 3D printing technology to reduce raw material consumption and minimize waste during production.

Lotus 75th Anniversary Pen

- The pen barrel is made of recycled aluminum, **with the aluminum alloy recycled from Lotus's historically significant F1 race cars**.
- The pen cap is crafted from pure silver, sourced from suppliers who conduct due diligence in the supply chains to promote the use of recycled refined silver. This approach avoids the extraction of newly mined silver, thereby reducing the impact on the environment.

Ocean Bottle

- Each eco-friendly cup produced utilizes 11.4 kg of ocean-recycled plastic, equivalent to 1,000 plastic bottles. For every eco-friendly cup sold, Lotus Tech contributes to marine environmental protection and inspires users to take small, meaningful steps toward environmental sustainability in their daily lives.
- All components and packaging are 100% recyclable.

SAFE MOBILITY

Lotus Tech is dedicated to developing intelligent and reliable products and technologies that prioritize safety for all road users, including drivers and vulnerable pedestrians. The Company maintains a safety function development and management system to reduce mobility risks. It has introduced protocols such as the *Vehicle Passive Safety Attribute Development Management Measures*, the *Product Cybersecurity Management Manual*, and the *Product Network Security Management Handbook* during the development phase. Lotus Tech also employs a thorough risk management and control strategy to preemptively address product development risks. In terms of product safety emergency response, Lotus Tech has developed a comprehensive framework, including protocols such as the *Management Measures of Emergency Service for User Major Incidents*, the *Product Cyber Security Emergency Plan Management Measures*, and the *After Sales Vehicle Monitoring and Management Program*. These protocols encompass prompt response, incident investigation, resolution implementation, and post-incident analysis. Additionally, the Company conducts regular safety emergency response drills to enhance preparedness.

The Company conducts whole-vehicle safety performance research and development based on the globally recognized five-star safety rating and excellent grade standards, and continuously advances world-leading safety technologies. **In 2024, the LOTUS ELETRE and LOTUS EMEYA models successfully obtained automotive safety regulatory certifications in key markets, including the South Korea and European Union.**[1]

[1]LOTUS EMEYA obtained certifications include:
ECE R13H Uniform provisions concerning the approval of passenger cars with regard to braking
ECE R46 Uniform provisions concerning the approval of devices for indirect vision and of motor vehicles with regard to the installation of these devices
ECE R48 Uniform provisions concerning the approval of vehicles with regard to the installation of lighting and light-signaling devices
ECE R79 Uniform provisions concerning the approval of vehicles with regard to steering equipment
ECE R152 Uniform provisions concerning the approval of motor vehicles with regard to the Advanced Emergency Braking System (AEBS) for M1 and N1 vehicles
ECE R158 UN Regulation on uniform provisions concerning the approval of devices and motor vehicles with regard to the driver's awareness of vulnerable road users behind vehicles when reversing
EU 2021-646 laying down rules for the application of Regulation (EU) 2019/2144 of the European Parliament and of the Council as regards uniform procedures and technical specifications for the type- approval of motor vehicles with regard to their emergency lane-keeping systems (ELKS)
EU 2021-1341 supplementing Regulation (EU) 2019/2144 of the European Parliament and of the Council by laying down detailed rules concerning the specific test procedures and technical requirements for the type-approval of motor vehicles with regard to their driver drowsiness and attention warning systems and amending Annex II to that Regulation
EU 2021-1958 supplementing Regulation (EU) 2019/2144 of the European Parliament and of the Council by laying down detailed rules concerning the specific test procedures and technical requirements for the type-approval of motor vehicles with regard to their intelligent speed assistance systems and for the type-approval of those systems as separate technical units and amending Annex II to that Regulation
LOTUS ELETRE obtained certifications include KMVSS 53-2 (Rear Pedestrian Safety Device) and KMVSS 15-3&90-3 (Advanced Emergency Braking System)

Active Safety

- Lotus Hyper Pilot (LHP): The system is designed for navigation-assisted driving on highways and ramps where permitted, allowing for autonomous driving from 0 to 150 km/h along a pre-set navigation route. It features full-speed adaptive cruise control, speed limit integration, lane keeping, automated lane changes, driver-controlled lane changes, and seamless navigation from on-ramp to off-ramp. In 2024, Hyper Pilot achieved full national coverage in China, delivering advanced driving assistance across the country.

- Urban Pilot: This system supports urban navigation-assisted driving at speeds ranging from 0 to 80 km/h along the driver's pre-set route. Its features include full-speed adaptive cruise control, speed limit integration, lane keeping, automated lane changes, driver-controlled lane changes, navigating intersections with both left and right turns, as well as pedestrian and obstacle/vehicle avoidance capabilities.

Passive Safety

- The vehicle is designed to meet five-star ratings from the European New Car Assessment Programme (Euro-NCAP), the National Highway Traffic Safety Administration's New Car Assessment Program (NHTSA-NCAP) and the China New Car Assessment Program (C-NCAP), along with the AAA rating from the Insurance Institute for Highway Safety (IIHS) and the top rating from the China Insurance Automotive Safety Index (C-IASI).

- The chassis incorporates approximately 95% aluminum, high-strength steel, and hot-formed steel, with its structure topology optimized to significantly enhance rigidity and improve driving safety.

Battery Safety

- The Company strictly adheres to battery safety standards set by regions such as the EU, China, and South Korea, while continuously strengthening battery safety testing across various scenarios. Compliance tests, including insulation resistance, short-circuit protection, and voltage endurance, have been conducted in accordance with ECE R100 uniform provisions concerning the approval of vehicles with regard to specific requirements for electric vehicles, including battery safety. Following GB 38031-2020 that specifies the safety requirements for power batteries for electric vehicles, the batteries have undergone thermal runaway and saltwater immersion tests to ensure reliability in extreme conditions such as hot summers and heavy rain. The batteries used in the LOTUS ELETRE and LOTUS EMEYA models have successfully passed safety certification tests in the European Union, South Korea, and China, among other regions.[3]

- Lotus Tech enforces rigorous enterprise standards for power batteries, requiring vibration and shock testing durations to be double the Chinese national standards. Additionally, the thermal runaway test mandates no thermal propagation within 24 hours, ensuring battery safety performance.

Network Security

- Lotus Tech establishes vehicle network security management system and software upgrade management system. Wuhan Lotus Cars Co., Ltd. has obtained the certifications of the EU R155 Cyber Security Management System and the R156 Software Update Management System.

[2]This feature requires integration with the Lotus flash charging robots.
[3]The certification standards include EU ECE R100.03, South Korea's KMVSS TP48, and China's GB38031, among others.

PRODUCT QUALITY

Lotus Tech has established a comprehensive quality management system based on ISO 9001, integrating standards from multiple management systems, including information security, privacy protection, network security, and software upgrades. This All-in-One quality management system spans the entire product lifecycle, covering design and development, production manufacturing, supplier management, logistics, and after-sales service. The Company has implemented a global quality management framework that includes technical, managerial, and decision-making levels, ensuring efficient collaboration and maintaining the effectiveness and continuity of quality management. Lotus Tech adheres to relevant laws and regulations, such as the European Union's Product Liability Directive (85/374/EEC) and the *Product Quality Law of the People's Republic of China*. It also complies with EU Regulation 2018/858 (Whole Vehicle Type Approval — "WVTA"), the Measures for the *Access Administration of On-road Vehicle Manufacturers and Products*, and the *Management of China Compulsory Certification (CCC) for Motor Vehicle Products*. The Company has developed internal procedures, such as the *New Vehicle Product Design and Development Control Procedure*, to ensure standardized quality control throughout the product lifecycle. In 2024, Lotus Tech introduced new supplier management systems, including the *Risky Supplier Management Method*, extending strict quality control to every step of the supply chain.

The Company continuously improves and refines management systems across all business areas, aligning with its overall quality standards. For example, in the charging business, it has introduced the *Measures for the Access Administration of New Suppliers*, ensuring that new suppliers meet stringent quality and compliance requirements.

➤ Quality Control Across the Product Lifecycle

Development Stage

- Control the quality throughout the development process including architecture, mechanical systems, electronics, power propulsion, and vehicle integration, with milestones and gateways.

- Convey quality management requirements of Lotus Tech to suppliers, and regularly monitor their execution via the supplier quality management IT system.

- Utilize virtual simulation software (CAE) to simulate, optimize, and analyze components and vehicle performance, conduct early validation, and significantly improve development quality and efficiency.

- Identify key quality control points based on laws, regulations, functional requirements, and design failure mode and effects analysis (DFMEA), implement risk prevention design during project development stage, and integrate quality control throughout the process, from supply chain to manufacturing.

- Adhere to *Advanced Product Quality Planning (APQP)* during component development; conduct multiple reviews of 30 key elements in the development process; identify and swiftly address quality issues for strict product quality control; initiate the *Production Part Approval Process* and proceed with bulk component supply.

Manufacturing Stage

- Lotus Global Smart Factory has been recognized as a **national-level 5G factory in China, an advanced-level smart factory under Hubei Province's smart factory development program, and a benchmark smart factory in Wuhan City**.

- Incorporate flexible, modular, and lean production principles into the manufacturing process, employing 3D visual simulation technology to enable AI-driven error prevention across 46 configurations; realize real-time monitoring of key vehicle dimensions, round-the-clock torque data alerts, and automatic expiration warnings for warehouse management system materials.

- Establish a *Vehicle Audit Standard* for comprehensive vehicle quality inspections, assessing 21 road conditions using the 0.8 km NVH test road and the 3 km multifunctional test track.

- Regularly test and validate components and vehicles; thoroughly control and monitor the quality of components and vehicles following program files such as the *Management Measures of Outsourcing Components Inspection*, the *Nonconforming Product Control Procedures*, and the *Identification and Traceability Management Procedures.*

- Review quality control points of vehicles from a user-centric perspective during the audit sampling inspection, to ensure product consistency and compliance with the Company's high-quality standards.

Validation Stage

- Establish a Quality Reliability Test (QRT) system and release test specifications covering high and low-temperature conditions, high-altitude adaptability, and real-world usage scenarios, including routine, extreme, and misuse cases.

- Vehicle tests, including global combined driver assistance technology, reliability, durability, and adaptability tests, have been conducted. As of December 2024, **the global test mileage of LOTUS ELETRE and LOTUS EMEYA has exceeded 4.8 million km, covering Asia, Europe, Oceania, and the Americas, in temperatures ranging from -40°C to 50°C, with the altitude ranging from -150 m to 5,200 m**.

Recall of Products

- Adhered to local regulations, including the EU's General Product Safety Regulation (EU) 2023/988 and China's Regulations on the Administration of Defective Motor Vehicle Products Recall. The *Measures for the Administration of Product Recall* was established, defining processes such as product safety risk assessment, defect elimination plans and verification, recall planning, execution, and summary reporting.

- Put in place a highly efficient recall mechanism and a structured decision-making framework, allowing for immediate government filings in the event of a recall and coordinated preparation of repair parts and accessories to minimize impacts on users.

[4]The Lotus Tech subsidiaries that obtained ISO 9001 certification include: Wuhan Lotus Technology Co., Ltd., Wuhan Lotus Cars Co., Ltd., Wuhan Lotus Cars Sales Limited, Ningbo Lotus Robotics Co., Ltd., and Hangzhou Flash Charging New Energy Co., Ltd.

Quality Audit and Certification

To ensure the effectiveness of the quality management system, the Company conducts annual full-process internal review and management review, and invites third-party organizations to perform ISO 9001 quality management system supervisory audits.

Quality Culture

Lotus Tech regularly conducts quality training and quality culture promotion activities to further enhance employees' quality awareness. Extending this culture to its distributor network, the Company held 99 training sessions on service quality management, totaling 427 hours, with over 88% participation. Recognized for its excellence in quality management, the Company has received multiple industry awards, including recognition from the China Association for Quality.

In 2024

0 Recalls for Lotus lifestyle electric vehicle model

0 Vehicle safety defect complaints investigated by government or regulators

As of December 31, 2024

The main operating entities of Lotus Tech and Lotus Global Smart Factory obtained ISO 9001 quality management system certification.[4]

PREMIUM SERVICE

"For the Drivers" is the brand proposition of Lotus Tech. Prioritizing customers' travel needs, Lotus Tech offers customers reliable and comfortable product experiences.

RESPONSIBLE MARKETING

Lotus Tech complies with the laws and regulations governing advertising, marketing, and consumer protection in its operational regions. The Company ensures that all advertising content is accurate, avoiding false, exaggerated, or misleading claims. Policies, such as the *Media Placement Management Measures*, are established to guide the evaluation of media strategies. To ensure customers have timely access to product and service information, Lotus Tech utilizes multiple channels, including its official website, Lotus APP, mini-program, offline stores, and customer service team. In line with product labeling regulations, the Company ensures transparency on product labels, including supplier information, product traceability details, recyclability labels, and certification numbers. Additionally, to guide customers in using products safely and correctly, the Company provides product manuals and instructional videos detailing product features, safety precautions, and emergency handling procedures.

In 2024

0 Violations concerning product, service information and labeling

0 Violations concerning marketing

CUSTOMER SATISFACTION

With customer satisfaction as the core focus, Lotus Tech continuously improves its customer service network and both pre-sales and after-sales service systems, while iterating its products and services. The Company offers a variety of convenient after-sales services, such as mobile door-to-door service, vehicle pick-up and delivery, roadside assistance, and alternative mobility solutions, all designed to ensure a premium travel experience. To expand its global distribution network, Lotus Tech had over 200 stores worldwide by December 2024. The Company has established standardized management procedures, including the *Partnership Admission Control Procedure* and the *Lotus Dealership Operation Standard Guidebook* to ensure consistent, high-quality service across all stores. The *Implementation Rules for the Evaluation of Lotus Dealership Operation Process* are used to monitor the quality of dealer operations and services. In 2024, Lotus Tech introduced a comprehensive dealer training program in China, focusing on improving driving skills, brand recognition, and customer service. To enhance service quality, the Company also developed an integrated online learning platform that supports dealers with learning, testing, and certification across product knowledge, processes, and role responsibilities.

The Company has developed the *Management Procedures for Vehicle Monitoring After-sales Service* to standardize post-sales vehicle monitoring. Upon receiving fault alerts, remote diagnostic engineers verify their accuracy and assess fault severity. Based on this assessment, they promptly inform the customer of the solution, and dealerships implement corresponding repair services. Additionally, remote diagnostic engineers upload reports within 24 hours to ensure vehicle safety and stability for customers, adhering to platform regulations.

In accordance with the *Customer Satisfaction Management Measures*, Lotus Tech conducts monthly surveys covering areas such as test drives, sales, delivery, and after-sales service. Feedback from these surveys is integrated into the business process to drive continuous improvement. Additionally, the Company has established the *Customer Complaint Handling Management Measures* to ensure standardized and effective resolution of customer complaints, addressing them promptly and efficiently.

BUILDING A GREEN VALUE CHAIN

Lotus Tech proactively addresses global climate change, biodiversity, and other nature-related risks and challenges. The Company integrates sustainable development into its entire value chain, including product design and development, procurement of raw materials, manufacturing, and product use, driving the Company towards a green and low-carbon development path.

ENVIRONMENTAL MANAGEMENT

Lotus Tech strictly complies with environmental laws and regulations in all regions where it operates. Based on the ISO 14001:2015 Environmental Management System standard, the Company has established internal environmental management systems such as the *Management Procedure for Prevention and Control of Solid Waste Pollution* and the *Management Procedure for Air Pollution Prevention and Control*, aiming to reduce the environmental impact of its production and operations. The Company has a dedicated safety and environmental protection department to oversee its environmental management efforts. Annual environmental factor identification, risk assessment, and opportunity assessment are conducted, aligning with the *Control Procedure for Environmental Factor Identification and Assessment* and the *Control Procedure for HSE Monitoring, Measurement, and Analysis Evaluation*. This process provides a basis for setting environmental objectives and indicators and implementing corresponding control measures to effectively manage environmental risks. In order to raise employees' awareness of environmental protection, the Company launched training on environmental management in 2024, with over 1,700 participants.

In 2024

Lotus Global Smart Factory

- **100%**
  Standard discharge of industrial wastewater and waste gas
- **100%**
  Compliant disposal rate of hazardous waste
- **0**
  Environmental pollution incidents or stakeholder complaints
- Recognized as an enterprise with A-Level Performance of Key Industries with Heavy Pollution Weather in Hubei Province

Wuhan Lotus Cars Co., Ltd., Hangzhou Flash Charging New Energy Co., Ltd. and Lotus Global Smart Factory obtained certification of ISO 14001:2015 environmental management systems.

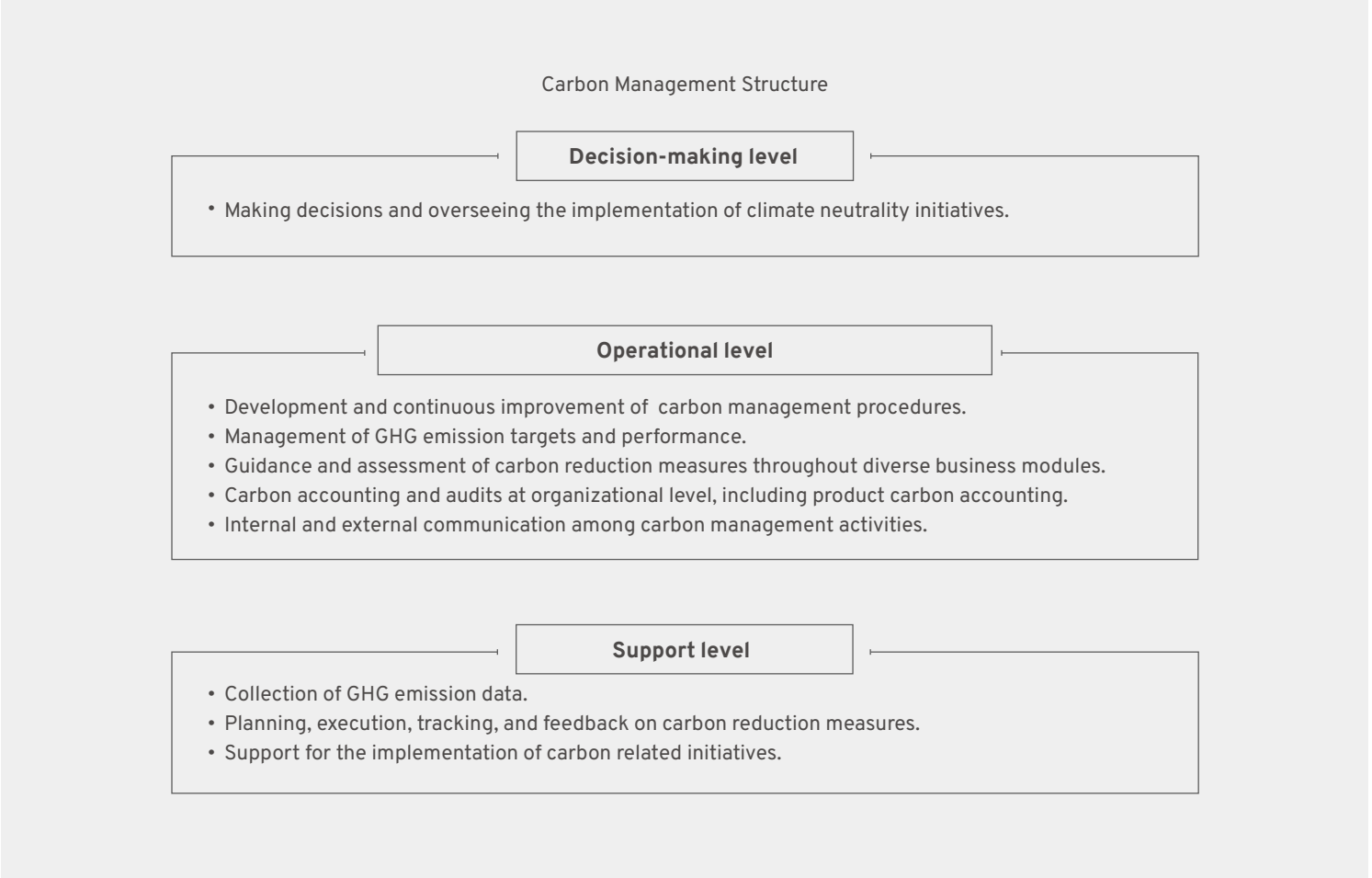
- **Green Apple Environment Award**
- 2024 Automotive Industry ESG Elite Award – **Outstanding Contribution to Environmental Protection**
- 2024 Global Zero-Carbon City Pioneer Award – **Diamond Tier of the Global Zero-Carbon City Corporate Leadership Award**
- Third Xinhua Credit Jinlan Cup ESG Excellence Case – Lotus Tech won the **Excellence Case Award** in Environmental Action with the case, *Leading a "Nature-positive" Business Model to Shape a Sustainable Future for the Automotive Industry*

CLIMATE NEUTRALITY

In 2024, COP29 was held to advocate for greenhouse gas emission reduction, address global climate change, and jointly promote sustainable human development. In response to the challenges posed by climate change, aligned with IFRS S2 *Climate-related Disclosures framework*, Lotus Tech has intensified its efforts towards achieving entire value chain carbon neutrality by 2038, contributing to global climate governance and long-term climate objectives.

CLIMATE GOVERNANCE

Lotus Tech has established a comprehensive carbon management structure spanning its global operations, encompassing decision-making, operational, and support layers. To standardize carbon management processes globally, the Company has developed the Carbon Management Procedure. To further enhance the sustainability and carbon reduction pathways of vehicle projects, the Company integrates sustainability elements such as low-carbon emission into vehicle attribute development processes in accordance with the *Development of Sustainable Attributes for Complete Vehicles Management Procedure*. In 2024, Lotus Tech launched a comprehensive carbon-focused training program for all employees. The training covered global environmental policies and regulatory trends, industry and corporate carbon neutrality goals, carbon reduction pathways, and climate change topics. Designed to enhance employees' understanding of climate change, energy conservation, and emission reduction, the training promoted the effective implementation of Lotus Tech's climate strategy and demonstrated the Company's commitment to addressing climate challenges and promoting green development, etc.



CLIMATE STRATEGY

Lotus Tech's business model, operations, development strategy, and value chain activities are closely aligned with climate change issues. The Company has established a comprehensive climate strategy with the overarching goal of achieving carbon neutrality across its entire value chain by 2038. To achieve this goal, the Company evaluates climate-related policies and standards, and analyzes the challenges and opportunities posed by climate factors under various scenarios.

The *Paris Agreement* aims to limit the global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels. In alignment with these goals, Lotus Tech references scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The Company analyzes greenhouse gas emissions under three distinct climate scenarios: 1) the energy system continues to evolve in line with current trends (a "business-as-usual" scenario); 2) global average temperature increase is limited to below 2°C above pre-industrial levels; 3) global average temperature rise is limited to below 1.5°C above pre-industrial levels.

Lotus Tech actively identifies, assesses and monitors climate change risks to its business operations and implements countermeasures based on the *IFRS S2 Climate-related Disclosures* to better understand and mitigate potential impacts.

	Risk Types	Potential Climate Risks	Potential Financial Impacts	Countermeasures
Transition risk	Policy and legal risk	• The EU Carbon Border Adjustment Mechanism (CBAM), new *EU Battery Regulation*, and other international policies and laws introduce further climate change regulations and disclosure obligations for the Company's worldwide operations.	• Increased operating costs	• Actively engaging with industry associations and public policy and regulation research groups to analyze policies, regulations, and information disclosure requirements, and developing proactive response strategies. • Setting up product carbon footprints and organizational-level GHG emission targets, implementing strategies to achieve them, and enhancing GHG emission and energy efficiency performance.
	Technology risk	• The application requirement of low-carbon technologies and materials may increase R&D investment and material costs. • The rising standard for low-carbon manufacturing may lead to increased investment in equipment construction and replacement.	• Increased operating costs • Increased material costs	• Increasing R&D investment in the low-carbon technologies, with a focus on developing and applying cost-effective low-carbon technologies and materials. • Establishing and improving an energy management system to implement refined energy management.
	Market risk	• Rising prices of traditional energy and non-renewable resources may increase manufacturing and product costs.	• Increased operating costs	• Boosting the proportion of renewable energy usage in manufacturing through self-built photovoltaic systems to reduce the reliance on traditional energy sources. • Developing recyclable materials and utilizing them to reduce reliance on non-renewable resources.
	Reputation risk	• The Company's efforts to address climate change may fall short of stakeholder expectations, potentially affecting its brand image.	• Decreased revenue	• Engaging in decarbonization practices at both the product and organizational levels. • Increasing awareness of energy conservation and emission reduction among internal and external stakeholders.
Physical risk	Acute risk	• Extreme weather events such as typhoons and floods could disrupt the stable operations of the Company's manufacturing facilities, charging stations, and other locations, as well as interrupt the smooth functioning of the supply chain, even resulting in property damage and financial losses.	• Increased operating costs • Increased property losses	• Developing contingency plans for extreme weather, and reinforcing hazard identification to secure safe production and management.
	Chronic risk	• Extended periods of high temperatures or water scarcity resulting from climate change could affect the Company's operational efficiency, necessitating additional operational investments.	• Increased operating costs	• Investing in enhancing energy efficiency and boosting resource recycling to decrease reliance on energy and resources.

Opportunities Types	Potential Climate Opportunities	Potential Financial Impacts	Countermeasures
Product and market	• Growing consumer preference for new energy vehicles and clean products may drive higher product sales.	• Increased revenue	• Actively advancing green development, accelerating business model transformation, enhancing R&D investment, and launching low-carbon, high-performance products.
Energy sources	• The transition to renewable energy is expected to lower operational energy costs while reducing compliance expenses related to climate regulations, tax burdens, and GHG emission trading fees.	• Lower operational costs	• Expanding the use and increasing the share of renewable energy, optimizing overall energy structure.
Resource efficiency	• Higher-efficient production and logistics efficiency can lower costs while reducing greenhouse gas emissions.	• Lower operational costs	• Optimizing processes and enhancing operational efficiency to achieve cost reduction and decarbonization.

CLIMATE RISK MANAGEMENT

In response to the risks and opportunities posed by global climate change, Lotus Tech continuously refines its sustainability strategies and identifies decarbonization opportunities throughout its value chain to steer the industry toward a zero-carbon future.

Lotus Tech has completed full lifecycle carbon footprint assessments for the LOTUS ELETRE and LOTUS EMEYA models for two consecutive years. **The average full lifecycle carbon dioxide equivalent emissions per kilometer for electric vehicles sold in 2024 are 236.1 gCO_2e/km, a decrease of 8.6% compared to 2023.**

Since the Company's establishment in 2021, we have consecutively conducted organizational-level carbon inventories for four year 2021-2024 covering over 100 sites across China, the UK, Germany and other countries or regions. The GHG inventory results from 2022 to 2024 have been verified by TÜV Rheinland and have obtained the **ISO 14064-1 GHG Emissions Certification**.

Lotus Global Smart Factory obtained the ISO 50001:2018 Energy Management System certification.

Supply Chain Carbon Reduction

To advance carbon emission reduction within the supply chain, Lotus Tech has set carbon emission targets for key raw materials such as aluminum and key components, including power batteries based on findings from Natural Capital Assessment Project. These targets focus on GHG emission intensity, the proportion of renewable electricity usage, and the proportion of recycled materials. To ensure implementation, core tier 1 suppliers are required to confirm targets, sign the *Commitment Letter for Achieving CO_2 Emission Targets*, and define pathways for achievement prior to partnership agreements. Moving forward, Lotus Tech plans to expand the scope of its supply chain carbon reduction targets to drive low-carbon and green production across the entire value chain.

Manufacturing Carbon Reduction

Lotus Global Smart Factory, built by Geely Holding Group, embraces green manufacturing principles throughout its operations, from planning and construction to production and operation. Utilizing renewable energy, energy-efficient processes, digital management, and intelligent production, the factory strives to mitigate GHG emission in manufacturing. Building on its 2023 recognition as a **National Level Green Factory in China** and **the first group of Wuhan Waste Free Factory,** the Lotus Global Smart Factory was awarded **Hubei Provincial Green Supply Chain Certification** in 2024. In 2025, following the *General Principles for Implementation and Assessment of Zero-carbon Factory* (T/CIECCPA030-2023), the factory achieved the status of **"Leading Zero-Carbon Factory"** as evaluated by the China Industrial Energy Conservation and Cleaner Production Association. This designation was based on its exceptional performance through energy-efficient buildings, smart energy management systems, pollution reduction efforts, and comprehensive use of renewable resources.

In 2024

48% Reduction in carbon emissions per vehicle during production process

Green Building Initiatives

- In terms of plant construction planning, the factory's power station is located at the load center of the manufacturing workshops, achieving the shortest energy transmission path. The power distribution and air conditioning equipment rooms for the assembly and welding workshops are positioned at the center of the workshops, improving energy efficiency.
- In terms of building materials, the factory adopts a steel space frame structure, insulated composite panels, and flexible waterproof membranes on the roof. The reduced proportion of skylights further optimizes energy performance. These design choices result in energy savings of over 17% compared to traditional factories during the operational phase.

Renewable Energy Utilization

- In 2024, the factory photovoltaic system generated 23,241 MWh of solar power, with 9,384 MWh used in-house, **covering 47.7% of the factory's total power needs** (including on-site suppliers). The remaining 13,857 MWh was fed into the power grid. This transition to renewable energy has reduced CO_2e emissions by 12,991 tons.
- The factory installed over 60 new energy vehicle charging piles in employee parking and office areas, promoting eco-friendly commuting by improving low-carbon transportation infrastructure.

Energy-Saving Equipment and Process Renovation

- Optimizing operation schedules of water heaters resulted in 18,340 kWh of power savings and adopting robot operations and using recycled reclaimed water to clean the photovoltaic panels led to 1.8 GWh of power savings throughout the year.
- Precision low-flow spraying in the painting workshop reduces both energy consumption and paint usage.
- The factory optimizes the exhaust pressure of the air compressors to reduce compressed air usage and lower electricity consumption.
- The factory implements an energy-saving management system, including reminder alerts and dedicated personnel for monitoring and maintenance.

Resource Recycling

- Dry spray booth is designed for air recirculation and reuse. Painting workshop achieves flexible rapid color change while recovering paint from main pipelines. To enhance waste heat utilization, strategies such as boiler flue gas recycling and combustion, exhaust gas heat recovery, and using residual heat recovery from drying rooms are implemented.

Digital Management and Intelligent Manufacturing

- An energy management system is used for real-time monitoring of factory energy consumption. Virtual debugging techniques are employed to reduce energy consumption during the actual debugging process.
- Precise control over manufacturing and public area lighting equipment ensures timely shutdown of power-consuming devices, minimizing standby energy losses.

Operation Carbon Reduction

Lotus Tech, adhering to high environmental standards, incorporates sustainability into its operations. In January 2024, the Lotus Tower in Shanghai received **LEED ID+C Gold certification**. Demonstrating its dedication to eco-friendly practices, the Tower uses recyclable materials, low-VOC paints, water-efficient fixtures, energy-saving lighting, and air conditioning refrigerants with minimal global warming potential. These initiatives enhance building efficiency and comfort while minimizing environmental impact. The Company has also intensified the utilization of renewable energy in its office facilities. Notably, its primary office location in the European region (Amsterdam, Netherlands and Lauenheim, Germany) has achieved 100% renewable electricity usage. The Company has adopted energy-saving policies, such as maintaining air conditioning temperatures at 26°C and strengthening monitoring and management of air-conditioning and lighting systems to minimize energy consumption.

The Company integrates green building principles into its store designs. External insulation systems on some store exteriors enhance indoor heat insulation and minimize indoor heating energy usage. Special glass or double-glazed glass for doors and windows effectively prevents air convection and minimizes energy loss due to heat exchange. Intelligent and energy-efficient air conditioning designs are implemented to sense indoor temperature changes and intelligently regulate indoor temperature, improving comfort while reducing energy consumption. Stores maximize natural lighting and extend daylight hours to reduce the need for artificial lighting. Additionally, sensor-based energy-efficient lighting fixtures further contribute to electricity savings.

The Company advocates for green business travel to minimize environmental footprint in operational activities. The Company promotes the use of electric vehicles for official travel. In 2024, 100% electrification of official vehicles has been achieved in China. Additionally, the Company has optimized its travel policies, encouraging employees to choose train over air travel for short-distance trips within 1,000 km in China. By 2024, with short-haul flights reduced by approximately 70% year-on-year, this change resulted in a 23.2% decrease in travel-related carbon emissions.

Logistics Carbon Reduction

To control GHG emission in the logistics sector, Lotus Global Smart Factory uses automated guided vehicles and fully automated unmanned picking and handling robots to optimize transportation routes.

Warehousing phase

- The Company's warehouse automation plan boosts efficiency in inbound/outbound operations, inspection, and inventory management. Through automated and intelligent equipment, it lowers energy consumption in manual tasks and decreases quality losses and returns from human errors.

Transportation phase

- The Company has optimized transportation routes to minimize unnecessary mileage and selected lower-energy logistics solutions. For short-distance logistics, 100% electric transport vehicles are introduced to lower GHG emission from fossil fuel use.

➤ End-user Carbon Reduction

Lotus Tech creates intelligent, efficient, and green full-scenario energy replenishment solutions for users. The fully liquid-cooled split-type charging power cabinet utilizes a DC-BUS architecture, which enhances energy efficiency while maximizing the utilization of renewable energy sources such as photovoltaics and hydrogen power through direct integration, and enables peak and off-peak grid regulation.

The Company continues to enhance its intelligent and efficient energy ecosystem by expanding its flash charging network across key business areas and landmark locations in China. The Company has established the world's first Lotus intelligent photovoltaic energy storage and charging robot flash charging station. The station is equipped with 40 solar panels, with an average annual power generation of approximately 22 MWh. To further improve charging accessibility, the Company integrated shared third-party charging networks, expanding coverage to provide fast charging solutions for vehicle owners in over 90% of Chinese cities. Starting in July 2024, the Company implemented a nighttime energy-saving initiative at self-operated flash charging stations, including the deactivation of non-essential lighting and large screens during nighttime hours. Based on an in-depth analysis of operational data from 29 comparable facilities, the average energy consumption per facility decreased by 3.7% year on year during the period from July to December 2024.

INDICATORS

To advance the strategic goal of "achieving entire value chain carbon neutrality by 2038," the Company has taken proactive measures to accelerate the low-carbon and green transformation of its value chain, achieving significant milestones in the process. In 2022, Lotus Tech and Lotus Global Smart Factory obtained PAS 2060 carbon neutrality certification from TÜV Rheinland. From 2023 to 2024, by implementing further operational emission reductions, increasing the proportion of renewable energy usage and adopting the international Renewable Energy certificates I-REC and VCS certified carbon credits to offset the remaining emissions, the Company achieved operational carbon neutrality for Scope 1 and 2, with a commitment to progressively reduce reliance on offsets by 2038.

Energy Consumption[5]

Indicator	Unit	2024 Manufacturing	2024 Operation	2024 Total	2023 Manufacturing	2023 Operation	2023 Total
Natural gas	m^3	974,913.0	18,445.8	993,358.8	1,671,079.0	205,704.0	1,876,783.0
Gasoline	L	0	4,709.2	4,709.2	0	121,080.4	121,080.4
Diesel	L	2,244.0	0	2,244.0	1,862.7	4,627.0	6,489.7
Electricity	kWh	19,812,485.6	12,068,444.5	31,880,930.1	27,565,294.2	11,131,095.9	38,696,390.1
In which: purchased renewable electricity	kWh	0	727,901.2	727,901.2	0	701,172.9	701,172.9
In which: on-site renewable electricity (photovoltaic)	kWh	9,384,326.6	0	9,384,326.6	6,827,814.2	0	6,827,814.2
In which: non-renewable electricity	kWh	10,428,159.0	11,340,543.3	21,768,702.3	20,737,480.0	10,429,923.0	31,167,403.0
Purchased heat	GJ	0	564.0	564.0	0	1,012.3	1,012.3

[5]Manufacturing energy consumption mainly stems from the operation of Lotus Global Smart Factory, while operation energy consumption primarily comes from office operations in key regions of China and Europe, as well as from self-owned retail stores and test vehicle fleets.

GHG Emission[6]

Lotus Tech's GHG inventory scope for 2024 encompasses not only upstream and downstream activities such as electric vehicle transportation, supply chain and the usage phase of sold vehicles, but also comprehensive monitoring and management of emissions from the Lotus Global Smart Factory. For this year, the inventory encompasses 8 countries and a total of 144 sites worldwide. The data for this assessment has been calculated by TÜV Rheinland in accordance with the ISO 14064-1 standard.

Indicator	Unit	2024	2023	2022
GHG emissions (Scope 1)	tCO_2e	633.6	1,072.9	593.7
GHG emissions (Scope 2)	tCO_2e	5,999.7	5,357.9	2,010.3
GHG emissions (Scope 3)	tCO_2e	307,460.5	279,014.5	19,531.1
In which: emissions from upstream transport and distribution for goods	tCO_2e	1,715.4	1,694.5	/
In which: emissions from downstream transport and distribution for goods	tCO_2e	7,761.1	4,244.3	/
In which: emissions from business travels	tCO_2e	3,227.2	9,386.8	7,638.2
In which: emissions from purchased goods	tCO_2e	126,636.2	126,477.2	/
in which: emissions from employee commuting	tCO_2e	1,620.5	/	/
In which: emissions from the disposal of solid and liquid waste	tCO_2e	607.2	1,050.7	/
In which: emissions from the use of services that are not described in the above subcategories[7]	tCO_2e	8,514.6	15,959.0	11,892.9
In which: emissions or removals from the use stage of the product	tCO_2e	155,450.1	118,706.5	/
In which: emissions from end of life stage of the product	tCO_2e	1,928.2	1,495.5	/
Total (Scope 1, 2, 3)	tCO_2e	314,093.8	285,445.3	22,135.1

[6]Since 2023, Lotus Tech has shifted its GHG inventory boundary from equity proportion to operational control. Scope 1 includes direct emissions from combustion of stationary and mobile sources, as well as fugitive emissions intentionally released.
Scope 2 emissions are calculated based on geographical boundaries, covering indirect emissions resulting from the use of purchased electricity and heat for operational activities such as office operations, direct-sale store, test fleet, charging stations.
Scope 3 includes emissions generated from transportation and goods distribution, business travel, purchased goods and services, employee Commuting, waste disposal, use of products, and end-of-life product stages in the upstream and downstream of the value chain. Total GHG emissions are calculated based on geographical boundaries.
[7]Emissions from the use of services: Operational emissions (Scope 1 & 2) from Lotus Global Smart Factory.

NATURE POSITIVE

To address the global ecological and environmental challenges, the WEF advocates for a Nature-Positive business model to halt and reverse biodiversity loss. Lotus Tech is committed to embedding Nature-Positive principles into its operations, spanning the entire lifecycle of its vehicles, from design and manufacturing to transportation and beyond. By fostering harmony with nature, Lotus Tech aims to contribute to a sustainable future.

WATER RESOURCE UTILIZATION

Lotus Tech focuses on water resource conservation by investing in water-saving equipment and adopting water-saving practices in its production and operations. **In 2024, its water consumption per vehicle decreased by approximately 20% year on year**. At the Lotus Global Smart Factory, rainwater is purified and reused for landscaping, restroom facilities, and road cleaning. In 2024, approximately 28,800 m^3 of rainwater were recycled, significantly reducing freshwater consumption. Sales stores are equipped with water-saving fixtures and recycling systems, particularly for car wash stations, ensuring optimal water utilization.

WASTE MANAGEMENT

At Lotus Tech, waste generated from manufacturing and daily operations primarily consists of non-hazardous wastes such as industrial and household solid wastes, as well as hazardous wastes such as organic solvents and contaminants. The Company has developed the *Management Procedure for Prevention and Control of Solid Waste Pollution*, diligently enforcing waste classification and control measures.

Lotus Tech continues to advance waste recycling and reuse initiatives to minimize its environmental footprint. In the manufacturing process, the Company recycles materials from decommissioned racing cars to create sustainable products, such as pens, enhancing resource efficiency. Within its office operations, the Company has designated plastic reduction zones and introduced a battery trade-in program to encourage the recycling of used batteries, effectively reducing waste generation. Lotus Tech also promotes green lifestyles among employees by offering meal subsidies to encourage in-store dining, thereby reducing the use of disposable food containers. Additionally, the Company has implemented paperless office practices through digital documentation and electronic signatures, further supporting sustainability efforts.

Non-hazardous waste

- Household and industrial wastes are collected and safely managed by dedicated third-party companies.
- Battery recycling depots are established to promote battery recycling and secondary utilization.

Hazardous waste

- Hazardous waste is separately collected and regularly transported to qualified facilities for disposal, ensuring compliance with related regulations.

Indicator	Unit	2024	2023	2022
Water consumption	m^3	161,887.0	180,878.0	187,849.0
Total wastewater discharge	m^3	82,747.0	101,429.5	7,062.0
Hazardous waste discharge	ton	143.6	372.0	127.9
Non-hazardous waste discharge[8]	ton	1,272.7	2,379.1	561.5
Waste recycled	ton	280.4	1,033.4	269.5
NOx emissions	ton	2.4	2.9	/
SOx emissions	ton	0.9	1.5	/
VOCs emissions	ton	1.7	3.0	/
COD emissions	ton	1.9	2.4	/

[8]Based on Table 2A.1 of Chapter 2, Volume 5 of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*: MSW generation and treatment data—regional default values and regional employee number calculations; the data includes Lotus Tech and the Lotus Global Smart Factory. In addition, the 2023 non-hazardous waste discharge data has been updated, with enhanced operational data for improved accuracy.

BIODIVERSITY CONSERVATION

The Kunming-Montreal Global Biodiversity Framework (GBF), adopted during the second part of the fifteenth meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity, outlines a global roadmap for biodiversity conservation. In alignment with the framework's principles, Lotus Tech systematically monitors, evaluates, and transparently discloses the risks, dependencies, and impacts of its business activities on biodiversity, integrating conservation measures into its manufacturing and operations. During the construction of the Lotus Global Smart Factory, the Company conducted a comprehensive environmental impact assessment in accordance with Wuhan's ecological protection framework. The assessment confirmed that the factory site is not located in ecologically sensitive areas and meets strict environmental standards for air quality, surface water, and noise control. Beyond its own operations, Lotus Tech extends biodiversity risk management throughout its value chain. The Company pioneered the application of natural capital assessments to raw materials, identifying and quantifying their impact and dependency on natural ecosystems. This assessment spans the entire lifecycle—from raw material acquisition, rough machining, component manufacturing and vehicle assembly—helping identify nature-related risks and opportunities. Based on these findings, Lotus Tech has implemented science-based environmental management measures, optimized resource efficiency, and reduced its operational dependency on natural ecosystems. By fostering collaboration with upstream and downstream stakeholders, the Company is gradually advancing a nature-positive transition in the automotive industry. Recognized as an innovative practice in the sector, the Company's raw material Natural Capital Assessment Project was included in the *Nature-Positive Industry Sector Transitions*, a series of reports issued by the WEF. Lotus Tech has also been invited to contribute to the development of industry reports on biodiversity conservation in the automotive sector.

The Company actively collaborates with governments, communities, and suppliers to promote biodiversity conservation. In partnership with Longguan Township in Haishu District, Ningbo City, Lotus Tech has signed a strategic cooperation agreement on biodiversity and a forest adoption agreement, covering areas such as ecological restoration, renewable energy promotion, and circular economy initiatives. Building on this partnership, Longguan Township launched multiple projects in 2024, including the preservation of ancient and notable trees, infrastructure development, and the introduction of nature education programs. These initiatives have significantly increased public awareness and engagement in biodiversity protection efforts.

In 2024

Green area of the factory **204,000 m²**

Approximately **20%** of the total factory area

PURSUING BUSINESS INTEGRITY

Dedicated to operating with integrity and compliance, Lotus Tech strictly adheres to the laws and regulations of its operating regions while upholding the highest standards of business ethics. The Company fulfills its commitment to shareholders, customers, employees, and society through compliant and prudent operations.

CORPORATE GOVERNANCE

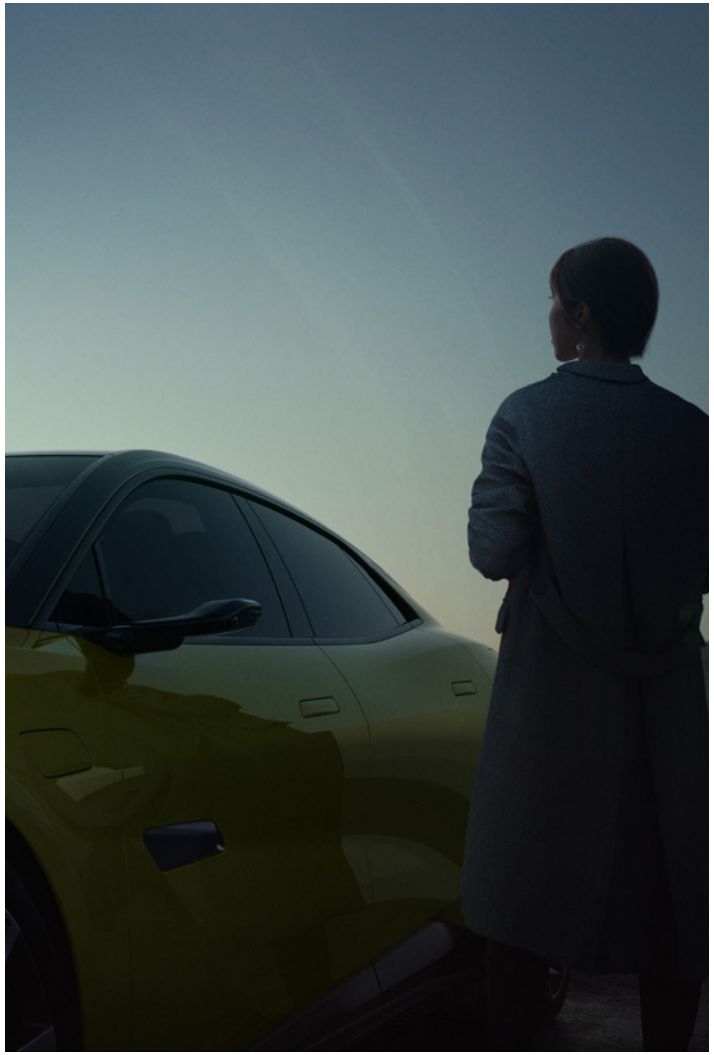
Lotus Tech continues to develop an efficient and effective corporate governance structure, enhance risk management, and ensure stable and sound operations.

BOARD GOVERNANCE STRUCTURE AND RESPONSIBILITIES

Lotus Tech's Board of Directors includes the Audit Committee, Compensation Committee, and Nominating & Corporate Governance Committee. These committees improve governance by providing expert analysis and advice, ensuring transparency, fairness, independence, and sustainability. The Board selection process follows a diversity principle, considering factors such as gender, age, cultural and educational background, expertise, work experience, professional ethics, and industry and regional experience. As of this report, the Board consists of 7 members, including 2 female and 3 independent directors. Their expertise across industries such as automotive, investment, finance, sales, manufacturing, supply chain, quality, R&D, and branding contributes diverse perspectives to strategic decision-making and operations. For more details on corporate governance, please visit the Lotus Tech Investor Relations website.

RISK PREVENTION AND CONTROL

The Company has established a standardized and efficient risk management system. The Risk Management Committee, as the highest decision-making body for risk management, oversees planning and guiding major risk control efforts. The Risk Management Working Group is responsible for refining management processes and implementing measures. Additionally, the Company utilizes the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) internal control framework to develop its internal risk control system and has established an independent internal audit department. The department assesses the effectiveness of the Company's risk management practices and reports directly to the Audit Committee. The Company has implemented policies such as the *Lotus Tech Comprehensive Risk Management Method* and the *Lotus Tech Internal Audit Charter*, creating a closed-loop management system for risk identification, analysis, evaluation, mitigation, review, and reporting. This approach significantly enhances its ability to prevent and mitigate major risks. The Company regularly identifies risks and develops corresponding control measures. In 2024, in compliance with Sarbanes-Oxley Act Section 404, the Company's management team undertook evaluations of internal control design and implementation, regularly updating the risk control matrix and internal control manual. Special audits are conducted in key areas based on the annual audit plan approved by the Audit Committee. In 2024, the Company undertook two special audits: one on partner commissions and marketing support activities, and another on information system program development expenditures. Any issues identified during these audits are resolved by the responsible departments through corrective action plans. The Company also conducts regular training sessions to employees, increasing their awareness of risks and enhancing their ability to respond through case studies and other instructional methods.



COMPLIANCE MANAGEMENT

Lotus Tech continually enhances its compliance governance system by appointing a Chief Compliance Officer and requiring employees to report any violations. The Company has published the *Lotus Tech Code of Business Conduct and Ethics*, which outlines requirements for anti-bribery, anti-corruption, intellectual property protection, anti-discrimination, and fair competition. These guidelines ensure the Company's operations are in line with local laws and international standards. The legal and compliance team continuously monitors legal developments and updates policies as needed to adapt to changing regulations.

The Company conducts compliance risk assessments based on the location of its operations to identify potential risks, clarify accountability, and develop mitigation strategies and action plans to continuously improve compliance management effectiveness.

The Company has established an open and transparent compliance consultation and reporting mechanism, encouraging employees, customers, business partners, and other stakeholders to report potential violations through reasonable channels such as email and phone. In some locations, the Company also uses the Whistle B online platform, operated by an independent third party, to receive compliance-related consultations and reports 24/7. The Company is committed to strictly maintaining the confidentiality of the whistleblower's identity and the content of the report. After an initial review of reports from employees and suppliers, the Discipline Inspection and Compliance Department takes appropriate disciplinary actions based on regulations, such as the *Rules for the Implementation of Compliance Supervision and Punishment*. In 2024, the Company promptly addressed and effectively resolved all verified compliance-related reports received.

Lotus Tech is dedicated to fostering a culture of compliance by regularly organizing online training for all employees. These sessions cover topics such as trade, information security, anti-corruption, anti-monopoly, and marketing, with assessments to ensure understanding. The Company also provides training to suppliers on compliance topics, including codes of conduct, export compliance, and privacy protection, promoting a thorough understanding and commitment to compliance standards.

Compliance consultation email:
Lotus.legalcompliance@lotuscars.com.cn

Employee and supplier compliance reporting email:
jubao@lotuscars.com.cn

Customer reporting hotline: 4008520888

Customer reporting email: info@lotuscars.com.cn

In 2024

2,238

Participants in employee compliance training

3,606

Total training hours

121

Suppliers participated in compliance training (including tier 1 and tier 2 suppliers)

BUSINESS ETHICS

Lotus Tech adheres to high standards of business ethics. The Board of Directors, as the Company's highest governance body overseeing ESG matters, is responsible for monitoring and supervising business ethics issues related to ESG to ensure the Company's sustainable operations.

ANTI-CORRUPTION

Lotus Tech upholds a "zero-tolerance" policy toward bribery and corruption. The Company has implemented the *Lotus Tech Anti-Corruption Compliance Policy* and other relevant regulations, requiring employees, shareholders, dealers, and other stakeholders to adhere strictly to these standards. Depending on the location of its operations, the Company provides employees with business conduct guidelines, tools, and support to promote integrity in business practices. The Discipline Inspection and Compliance Department manages corruption risks, investigates incidents based on proactively identified or reported corruption clues, and enforces disciplinary actions, including dismissal or demotion, depending on the severity of the case. The Company also undertakes regular compliance training and assessments to reinforce anti-corruption awareness.

Lotus Tech prioritizes anti-corruption, anti-bribery, and ethical power usage as fundamental principles for all employees, and it conducts regular anti-corruption training to reinforce these principles. Additionally, Lotus Tech works with stakeholders to create an ethical business environment by providing clear anti-corruption and integrity management requirements for suppliers through the *Supplier Code of Conduct* and integrity pledges.

FAIR COMPETITION

Lotus Tech advocates for fair competition and conducting its business based on principles of voluntariness, equality, fairness, and good faith. The Company strictly complies with relevant laws and regulations governing anti-monopoly, anti-unfair competition, and consumer rights protection. The Legal Department oversees compliance with anti-monopoly laws across all departments, identifying risk points and defining significant risks in line with legal and business requirements. To ensure a fair and transparent market, Lotus Tech has implemented policies such as the *Anti-Unfair Competition Compliance Management Measures*, which help maintain open competition. In 2024, as its R&D collaborations expanded, the Company developed the *Lotus Tech R&D Cooperation - Anti-monopoly Compliance Management Measures*, aligning with competition regulations from jurisdictions such as the EU, China, and the UK. This framework standardizes the R&D cooperation and information-sharing processes, ensuring compliance and risk management. Before engaging in business partnerships, Lotus Tech takes proactive steps to prevent anti-competitive behavior by implementing measures such as forming Clean Teams, signing Clean Team Agreements (CTA), and restricting data sharing. These actions help mitigate horizontal monopoly risks. During the reporting period, the Company has not faced any allegations related to unfair competition or violations of antitrust or anti-monopoly laws.

INTELLECTUAL PROPERTY PROTECTION

Lotus Tech adheres to the principle of respecting intellectual property rights as a fundamental business principle. To regulate intellectual property management, the Company has implemented protocols such as the *Patent Asset Management Procedure*, the *Intellectual Property Reward Scheme*, and the *Copyright Management Measures*. In 2024, the Company introduced the *Lotus Tech Patent Infringement Litigation Risk Response Management Measures* to define clear procedures for addressing patent infringement risks. This includes outlining the responsibilities, methods, and processes for individuals involved in handling such risks. When patent infringement issues arise, the Legal Department follows a structured approach that involves initial assessments, consultations with relevant business units, thorough investigations, and risk evaluations. The Department then coordinates the response according to local laws, ensuring compliance while avoiding intentional infringement and minimizing litigation risks. During the reporting period, Lotus Tech has not been involved in any administrative or judicial cases related to allegations of infringement.

TAX TRANSPARENCY

Lotus Tech follows the tax guidelines set forth by the Organization for Economic Co-operation and Development (OECD) and has established a dedicated Tax Management Team to oversee tax matters across all regions where the Company operates. This team handles daily tax administration, tax risk management, and tax planning. To ensure compliance with applicable tax laws, the Company has created a comprehensive tax management policy and offers regular training to its employees on tax procedures. The Company's tax risk management framework is designed to clearly define roles and responsibilities while employing a closed-loop process for identifying, assessing, monitoring, and controlling tax risks. Additionally, the Company conducts special audits to identify and mitigate potential tax risks. In 2024, the Tax Management Team assessed the effectiveness of the existing tax risk management framework and optimized the related policies and processes based on the evaluation outcomes.

Lotus Tech's Tax Management Team maintains regular communication with tax authorities to ensure that all tax filing and payment obligations are met promptly. Furthermore, the Company engages independent external experts to conduct tax attestation, ensuring that its tax practices are legally compliant and technically sound.

INFORMATION SECURITY AND PRIVACY PROTECTION

Lotus Tech adheres to relevant laws, regulations, industry standards, agreements, and contractual obligations regarding information security and privacy protection across its operational regions. This includes compliance with the *European Union's General Data Protection Regulation (GDPR)*, the *Data Protection Act 2018*, the *Civil Code of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Several Provisions on Management of Automobile Data Security (for Trial Implementation)* among others. The Company has established a four-tier information security governance structure, which includes: Safety Management Committee at the decision-making level, the Security Environment Management Office and information security teams at the management level, individual departments at the execution level, and Geely Holding Group and independent third parties at the oversight level. This framework ensures thorough coverage of decision-making, management, execution, and oversight. Additionally, the Company has implemented a series of internal management systems that provide security strategies across physical security, data protection, terminal security, supplier management, and access control, effectively safeguarding information security and privacy.

INFORMATION SECURITY

The Company has established an information security management system based on the ISO/IEC 27001:2022 standard, defining management procedures for the Information Security Management System, including management procedures for internal audit of information security and privacy protection to continuously enhance its security management processes and technology.

Assessing Information Security Risks

The Company monitors information security risks daily and conducts a risk assessment at least once a year. Risks are categorized based on their impact and likelihood of occurrence, with appropriate mitigation plans developed for each identified risk.

Implementing Information Security Controls

The Company has set up the *Access Control Management Procedure*, ensuring that employees are granted only the minimum necessary access to perform their tasks. Access rights are promptly revoked or adjusted when responsibilities change. For data protection, Lotus Tech has developed the *Data Security Management Measures*, applying principles such as lawfulness and justification, clear purpose, minimal necessity, optional consent, and dynamic control. Data is protected on category- and class-based method, along with lifecycle management for security. To handle information security incidents, the Company has implemented a management procedure that requires employees to report security events immediately, with emergency plans in place for timely and effective resolution.

Building Network Security Infrastructure

Lotus Tech strengthens its network and data security infrastructure, building multi-layered defense systems and data leakage prevention platforms to enhance its security capabilities. Critical systems undergo regular emergency drills, and the Company follows a comprehensive vulnerability management process with pre-deployment penetration testing, regular vulnerability scanning during operations, and an internal change management process for system updates based on the *Security Development Management Procedures,* the *Bug and Patch Security Management Measures,* and the *Security Change Management Measures*. As of December 31, 2024, Lotus Tech's marketing system, hybrid cloud system, IOV service system, and after-sales service system have all obtained the third-tier certification for the information security multi-level protection of information systems. In 2024, no fines were incurred due to information security vulnerabilities or network security incidents.

Promoting Information Security Awareness

The Company mandates that all employees sign confidentiality agreements and participate in annual training and testing on information security and privacy protection, enhancing their security awareness. In response to the 2024 European Union *Artificial Intelligence Act*, the Company has provided guidance to ensure employees fully understand and comply with regulations in AI operations. In addition, the Company encourages employees to report reasonable suggestions on information security clues, and awards units and individuals that have made outstanding contributions to information security. To manage supplier security risks, the Company has developed the *Supplier Security Management Procedures* to regulate the management process of supplier information security supervision and evaluation information security.

As of December 31, 2024

7 entities had obtained the ISO/IEC 27001:2022 certification for Information Security Management System.[9]

[9]Entities certified with the ISO/IEC 27001:2022 Information Security Management System include: Wuhan Lotus Technology Co., Ltd., Wuhan Lotus Cars Sales Limited, Wuhan Lotus Cars Co., Ltd., Hangzhou Flash Charging New Energy Co., Ltd., Ningbo Lotus Robotics Co., Ltd., Lotus Technology Innovative Limited (LTIL), Lotus Cars Europe B.V. (LCE).

PRIVACY PROTECTION

Lotus Tech aligns its privacy protection framework with relevant regulations and industry best practices, establishing a global privacy compliance framework based on ISO/IEC 27701:2019 standards. The Company publishes the *Lotus Privacy Notice* to define the protection of privacy rights for users and stakeholders. The Company also implements third-party personal information management protocols, managing personal information protection throughout the entire lifecycle, including supplier access, contract signing, and audits. Suppliers' personnel with access to Lotus Tech's systems and data are required to sign confidentiality agreements and acknowledge information security requirements. In 2024, Lotus Tech conducted privacy and information security reviews for seven suppliers involved in data security operations.

In the lifecycle of data processing for intelligent connected vehicles, Lotus Tech actively explores and executes data security and privacy compliance, ensuring a safer and more transparent user experience. The LOTUS ELETRE model, for instance, became one of the first vehicles to achieve compliance with four key data security requirements during the 2022-2023 inspection by the China Association of Automobile Manufacturers and the National Computer Emergency Response Technical Team/Coordination Center of China.

▶ The measures taken by the LOTUS ELETRE to meet automotive data security compliance requirements.

· Data Anonymization

Lotus Tech integrates data desensitization software into production vehicles, ensuring all data is anonymized prior to being uploaded to the cloud. In cases where consent for external data cannot be obtained, the Company uses irreversible color-block masking to safeguard the privacy of pedestrians and other vehicles.

· Data Collection and Processing

Smart cabins functions and services are set to not collect personal information by default, with data collection only activated upon user authorization.

The voice assistant only processes command-related information and deletes the original audio file within 14 days; user preference data related to seats, steering wheels, and dashcam video data is not uploaded to the cloud.

· Notification of Information Processing

Lotus Tech provides a clear list of personal information collection and usage via its app, informing users of the specific purposes for which their data is used. For sensitive personal information, separate consent is obtained from users, and they are offered a choice regarding the duration of authorization for one-time validity or a 12-month validity period.

In 2024

0

Verified complaints involving customer privacy infringement

0

Confirmed incidents of customer data leakage, theft, or loss

2,075

Employees participated in information security and privacy protection-related training and passed the test

2,100+

Total training hours

As of December 31, 2024

5 entities have obtained the ISO/IEC 27701:2019 certification for Privacy Information Management System.[10]

[10]Entities certified with the ISO/IEC 27701:2019 Privacy Information Management System include: Wuhan Lotus Technology Co., Ltd., Wuhan Lotus Cars Sales Limited, Wuhan Lotus Cars Co., Ltd., Hangzhou Flash Charging New Energy Co., Ltd., and Ningbo Lotus Robotics Co., Ltd.

BUILDING A BETTER COMMUNITY TOGETHER

Lotus Tech, driven by a strong sense of responsibility and mission, works closely with stakeholders to foster a harmonious community ecosystem.

EMPLOYEE DEVELOPMENT

Lotus Tech, as a global company with an international outlook, attracts talent from diverse countries such as China, the United Kingdom, and the Netherlands. The Company adopts a strategy centered on specialization, diversity, and efficiency, offering equal opportunities to empower employees to unlock their full potential and deliver valuable contributions.

EMPLOYEE RECRUITMENT AND RETENTION

Rooted in a corporate ethos of openness, respect and shared growth, Lotus Tech continuously attracts global talent from diverse backgrounds, striving to build a diverse and inclusive workforce.

Equal Employment

Lotus Tech strictly abides by policies, laws and regulations on employment in countries where it operates, such as the *Charter of Fundamental Rights of the European Union*, the *Labor Law of the People's Republic of China*, and the *Labor Contract Law of the People's Republic of China*. As of the end of 2024, Lotus Tech had 1,996 full-time employees and a number of interns and contract agency workers.

To ensure fairness and transparency in the recruitment process, the Company has established management guidelines such as the *Lotus Recruitment Management Measures*, the *Labor Protection Procedure for Female Employees and Underage Workers*, and the *Implementation Guidelines for Lotus Tech Job Posting*. To ensure equal opportunities in employment, these guidelines explicitly prohibit child labor, recruitment information with gender, targeted or regional discrimination, and content infringing on others' rights.

The Company embeds anti-discrimination and diversity principles into daily employee management. The *Employee Handbook* and other policies explicitly forbid any form of discrimination or differential treatment based on race, color, religion, gender, sexual orientation, age, nationality, heritage, disability, or any other factors irrelevant to the Company's legitimate interests. To address discrimination, the Company offers complaint channels such as email (jubao@lotuscars.com.cn), conducts thorough investigations into complaints received, and applies penalties accordingly. In compliance with the laws and regulations of the countries in which the Company operates, the Subsidiaries have also implemented policies to delineate the responsibilities of relevant management personnel and to establish procedures for handling complaints. During the reporting period, there were no significant incidents of child labor, or forced or compulsory labor.

Lotus Tech conducts annual employee engagement surveys tailored to its operational regions, aiming to understand employee needs and enhance satisfaction. The Company has established labor unions based on the location of its operations to advocate for employee rights and interests. Union membership in China covers 100% of employees, ensuring active participation in discussions regarding compensation, benefits, and employee management policies to safeguard workers' legal rights.

Employees by gender

Female 22.6%

Male 77.4%

Employees by function

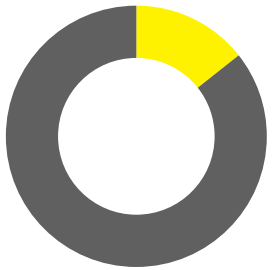
Marketing 23.7%

Support 16.2%

Supply chain 8.5%

R&D 51.6%

Employees by region



Overseas region 14.8%

The Greater China region 85.2%

Compensation Incentives

Lotus Tech has developed a sophisticated compensation incentive system that includes fixed, variable, and short-, medium- and long-term payments. The Company annually updates its compensation standards, considering local market benchmarks, business performance, and the regional Consumer Price Index, to maintain competitive salary level. Regular employee surveys are conducted to assess the fairness and satisfaction of the compensation and benefits system and the results are used to continuously improve the system. To enhance fairness and transparency, Lotus Tech updated the *Compensation Management Measures* and *Performance Management Measures* in 2024. These updates are based on job value, performance efficiency, ability assessments, and value alignment to guide salary decisions. Regular salary reviews are conducted based on internationally recognized evaluation methods and local market data to ensure the compensation system remains compliant and effective. Lotus Tech also provides a holistic short-, medium-, and long-term incentives, including personalized plans, team project bonuses, immediate incentives, and stock options, designed to attract and retain top talent and maximize their contributions.

Lotus Tech adheres to the principle of equal pay for equal work. In 2024, 100% of employees were subject to regular performance and career development assessments.

Benefits and Care

Lotus Tech recognizes the diverse requirements of employees in both their work and personal lives, providing a comprehensive benefits system that promotes a caring workplace environment.

For benefits, the Company provides social insurance in compliance with local laws and extends benefits such as commercial insurance, supplementary medical coverage, and various bonuses including quarterly, holiday, and birthday perks. Additionally, Lotus Tech offers physical and mental health services, family insurance plans, and assistance with child schooling. LCE supports employees to actively participate in wellness programs, physical activities by providing health benefits welfare policy, aimed at enhancing physical and mental health. Wuhan Lotus Technology Co., Ltd. published the *Employee Care Incentive Program* and introduced care incentive funds to support employees and their families during major life events or hardships such as marriage, new-born, and major health issues. Employees are recognized and rewarded for exceptional achievements, such as advancing education, receiving honors, or demonstrating integrity, to foster positive values within the Company. The Company ensures employees' rights to rest and vacation, offering not only statutory leave but also flexible work arrangements tailored to local needs, helping staff maintain a healthy work-life balance. Additionally, the Company offers comprehensive reproductive benefits, including paid leave, holiday pay, and health protections during periods of childbirth, adoption, or shared child-rearing, in accordance with local regulations.

Lotus Tech prioritizes the career development needs of its female employees, ensuring equal employment opportunities and fair compensation, and establishes measures to protect and care for female employees. Depending on the location of operation sites, the Company provides Baby Care Rooms equipped with breastfeeding, nursing, and rest areas in office spaces to support working mothers. To promote the professional advancement of female staff, a series of programs were developed to offer enhanced support and opportunities for female employees to unlock their potential. In 2024, Lotus Tech advanced its ESG strategies by empowering female leadership, with four women being appointed to leadership positions in marketing, digital product management, human resources, and finance.

DEI Culture

Lotus Tech believes that embracing diversity, equity, and inclusion (DEI) is not only a moral imperative but also a strategic advantage crucial for business success. The Company actively listens to employees' voices and has introduced democratic discussions among employees to validate the contents of the *Employee Handbook* and other relative policies. This move promotes employee engagement in corporate governance and enhances the transparency and fairness of management decisions. Furthermore, the Company has established feedback channels for daily problems and suggestions from employees, ensuring that response and resolution rate stand at 100%.

Lotus Tech actively fosters open communication and collaboration. To further facilitate equal communication among global employees, the Company hosts annual Townhall meetings, both online and offline, encouraging employees to engage with the Company's operations. In 2024, two Townhall meetings were held, attracting approximately 6,000 participants, with an engagement rate exceeding 90% and a 100% resolution rate for employee queries.

TALENT DEVELOPMENT

Emphasizing employees' personal growth and career development, Lotus Tech provides extensive development opportunities and abundant training resources. The Company integrates its talent management philosophy — specialization, diversification, and efficiency — into its business operations, creating clear career advancement pathways for management capacities, professional skills and operational expertise. The Company has established a systematic learning and development framework to support employee growth. The Company has introduced a competency-based management framework specifying job requirements, combined with a performance evaluation framework. This allows employees and managers to identify skill gaps and areas for improvement. Targeted development plans are then implemented to address these gaps, fostering continuous employee growth.

The Company has also established a comprehensive training management system based on internal policies such as the *Training Management Measures*. This system includes the structured training process, trainer management and incentives, and external training opportunities. Training programs are tailored to the needs of employees at different levels and in different roles, creating a tiered and systematic talent development model. For management, empowerment programs are designed to disseminate innovative practices and enhance leadership capabilities. In 2024, two senior leadership events were held to foster business innovation. New hires participate in comprehensive training, including corporate culture sessions, to ensure smooth integration into the team. Advanced professionals engage in a competency-based development program, enriched by employee surveys and management interviews to refine professional expertise. For sales staff, tailored training programs are designed to cover all stages and scenarios of the sales process. Digital talent development is central to Lotus Tech's ESG strategy. In 2024, the Company launched a data security and digital application talent development program to enhance overall employee expertise in digital transformation.

In 2024

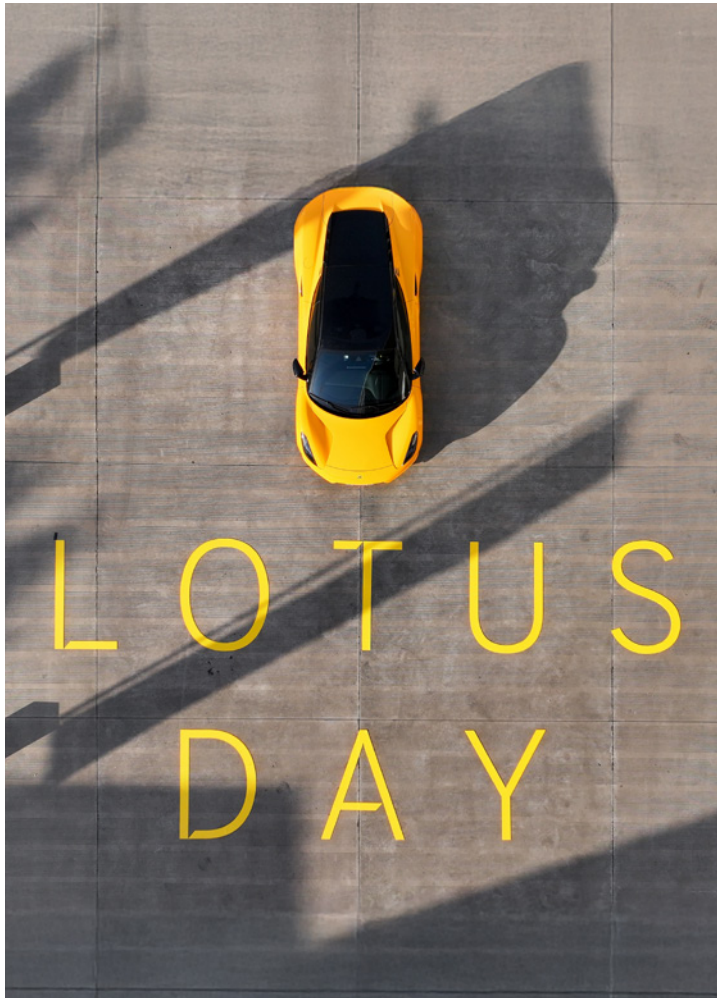
USD 640,000
Total investment in training

19,497
Total participants of employee training

44,961
Total employee training hours

22.1
Training hours per female employee

22.3
Training hours per male employee



OCCUPATIONAL HEALTH AND SAFETY

Creating a safe and healthy work environment is a shared responsibility of all managers and employees at Lotus Tech. The Company has established a robust safety and health management system based on global legal regulations and trends. Regular audits and evaluations are conducted to ensure the effectiveness of these measures, safeguarding employees' safety and well-being.

Occupational Health and Safety Management System

The Company has established a work safety responsibility system and a three-tier safety management framework tailored to the operational needs of its locations. The Safety and Environmental Management Office, headed by the Safety Management Committee, oversees daily safety operations. Safety management is delegated to the business department, with results integrated into individual performance evaluations. The Company has developed management policies including the *EHS Management Manual* to regulate safety and health procedures and external health organizations in offices located in France and Germany, providing professional guidance and support for teams. Furthermore, the Company has developed procedures such as the *Hazard Identification and Assessment Control Procedure* and the *Control Procedure for Environmental Factor Identification* to standardize the processes for hazard identification and risk assessment. These procedures enable the Company to identify potential risks in operational activities and to implement appropriate evaluation and control measures. Wuhan Lotus Technology Co., Ltd., Hangzhou Flash Charging New Energy Co., Ltd., and Lotus Global Smart Factory, have all passed ISO 45001:2018 system certification.

Safety Protection Measures

Lotus Tech prioritizes employee safety and has implemented a comprehensive management system. The Company identifies and evaluates safety risk through the *Hazard Identification and Risk Assessment Control Procedure* and develops preventive and control measures accordingly. Safety incidents are categorized and investigated based on the *EHS Incident Reporting and Investigation Procedure*. The Company has developed emergency response plans for various situations, such as work-related accidents, natural disasters, and other unforeseen events. Additionally, Lotus Tech equips workplaces with necessary rescue materials and first-aid equipment, and provides employees with standardized personal protective equipment to ensure timely and effective emergency support.

Occupational Health and Safety Training

Lotus Tech places significant emphasis on enhancing employee awareness of safety. The Company requires employees to sign the *Work Safety Commitment Letter* annually, depending on local operations. It also informs employees in specific roles about potential health hazards related to their positions, based on the *Occupational Disease and Hazard List*. For employees exposed to such risks, Lotus Tech maintains individual health monitoring records. Regular safety, health, and emergency response training sessions are conducted to equip employees with the skills to handle emergencies. Additionally, the Company has established a team of first responders and provides basic first-aid training. Employees who complete the training receive certification in first aid, ensuring they are prepared to offer assistance in emergency situations.

Mental Health Care

To support employees' mental health, the Company offers all-round, professional, and timely mental health care to employees through employee assistance programs, including the EAP Smart Mental Platform and the LifeWorks Platform, aiming to foster a positive and harmonious work environment.

In 2024

1,962
Participants of employee safety and health training

990
Total hours for safety and health training

1
Work-related injury (minor injuries)

0
Work-related fatalities

0
Lost days due to work-related injuries

SUSTAINABLE SUPPLY CHAIN

Upholding the concept of a "resilient supply chain" and the principles of "compliance, efficiency, cost control, and sustainability", Lotus Tech remains vigilant in overseeing the sustainable performance of its suppliers and enhancing supply chain management. By collaborating with global suppliers, the Company aims to establish a supply chain that is equitable, transparent, stable, and efficient, aligning with sustainability objectives.

SUPPLIER MANAGEMENT

Lotus Tech enters into procurement contracts, confidentiality agreements, and supplier integrity self-discipline agreements with suppliers. The Company has implemented procurement management guidelines, including the *Procurement Control Procedure*, to ensure a fair, transparent, and compliant procurement process. In 2024, Lotus Tech refined its supply chain management framework, aligning resource allocation with efficient collaboration and enhanced management effectiveness. Consistent with the latest update to the *Supplier Code of Conduct*, the Company introduced more specific supplier requirements covering sustainability topics such as workplace environment, human rights, health and safety, anti-corruption, anti-bribery, anti-money laundering, fair competition, anti-trust, privacy protection, environmental conservation, and responsible sourcing of minerals. These requirements are implemented across various stages, from supplier access to evaluation.

Supplier Access and Evaluation

For supplier access, Lotus Tech updated its *Measures for Management of New Supplier Access Evaluation* guideline. Suppliers are evaluated using the *Supplier 5A Audit and Evaluation System*, which evaluates five key dimensions: sustainability, R&D, quality control, production, and business management. This comprehensive evaluation aims to build a more robust and sustainable supply chain ecosystem. Depending on the supplier category, the Company also requires certifications such as IATF 16949 (Automotive Quality Management System), ISO 14001 (Environmental Management Systems), and ISO 45001 (Occupational Health and Safety Management System). Only suppliers meeting these requirements are approved to enter the supplier system.

For supplier review and evaluation, Lotus Tech regularly evaluates suppliers through direct communications, and performance assessments to enhance supply chain management, as stated in the *Measures for Supplier Evaluation Management*.

Supplier Empowerment

The Company regularly communicates with key suppliers and offers sustainability training to enhance their accountability. Additionally, conferences on sustainable supply chain are held for core suppliers to introduce the strategic plans and emphasize the Company's commitment to sustainability.

Supplier Exit Mechanism

Lotus Tech identifies issues promptly through supplier performance evaluations. For any risks or non-compliance identified, the Company provides corrective feedback and supports suppliers in improving their management practices. Suppliers breaching the code of conduct are subject to rectification within a specified timeframe, with more severe violations leading to termination of cooperation or cancellation of orders. Supplier exit is managed according to the *Supplier Optimization and Exit Management Procedure*.

As of the end of 2024

Whole vehicle direct procurement suppliers, specifically referring to tier 1 suppliers

100% of the suppliers signed the *Supplier Code of Conduct*

85.7% of the suppliers passed ISO 14001 (Environmental Management Systems) certification

69.2% of the suppliers passed ISO 45001 (Occupational Health and Safety Management System) certification

87.0% of the suppliers passed IATF 16949 (Automotive Quality Management System) certification

In 2024

Sustainability Training Coverage

Tier-1 Suppliers **190**

Sub-tier Suppliers **47**

KEY RAW MATERIAL TRACEABILITY

Lotus Tech strengthens risk management related to human rights, the environment, and other factors in the supply chain by enhancing raw material traceability. The Company has updated the *Supplier Code of Conduct* to include guidelines on conflict minerals and other critical materials, in compliance with laws such as the EU *Conflict Minerals Regulation*. Suppliers are required to provide traceability information for critical materials in products, components, or raw materials, and cooperate with Lotus Tech's responsible sourcing programs. If any critical materials supplied to the Company originate from conflict-affected or high-risk areas, defined by the OECD Due Diligence Guidance, suppliers must immediately notify Lotus Tech. In 2024, Lotus Tech implemented a digital traceability platform to track the origin of key materials and raw materials from suppliers. This initiative helps identify potential risks in the supply chain and allows the Company to take proactive measures to address them.

INDUSTRY DEVELOPMENT

Lotus Tech actively participates in industry associations, research projects, and the development of industry standards, working with business partners to drive technological innovation and sustainable industrial practices. The Company and its subsidiaries have joined the working groups of the China Automotive Technology and Research Center (CATARC), contributing to the formulation of national automotive standards. These include the *Safety Requirements for Combined Driving Assistance Systems*, *Artificial Intelligence for Vehicles*, *Coordinate System for Intelligent Connected Vehicles*, *Data Collection and Analysis Methods for Autonomous Driving System Test Scenarios*, and *Performance Requirements and Test Methods for In-Vehicle Cameras*. By sharing its expertise, Lotus Tech plays a key role in advancing industry best practices. In 2024, the subsidiary Ningbo Lotus Robotics Co., Ltd. became a council member of the China Industry Innovation Alliance for the Intelligent and Connected Vehicles and joined the C-ICAP Intelligent Driving Working Group under China Automotive Technology and Research Center Co., Ltd. Through these engagements, the Company contributes to the discussion and development of key technologies and standards in combined driver assistance technology, ensuring the practical application of cutting-edge innovations. Additionally, Wuhan Lotus Technology Co., Ltd. became a member of the China Automotive Functional Safety Standardization Promotion within the National Technical Standard Innovation Base of Automobile, where it participates in the study of functional safety theories, technologies, and standards, driving their implementation across the industry.

On October 29, 2024, Ningbo Lotus Robotics Co., Ltd. obtained Wuxi City's first L3 public road test license for the national intelligent connected vehicle pilot program. This milestone advances the real-world deployment of L3 combined driver assistance technology, addressing the rising demand for high-level combined driver assistance solutions. By fostering innovation in this sector, Lotus Tech is accelerating the adoption of combined driver assistance systems, contributing to the broader advancement of the industry.

CONTRIBUTION TO SOCIETY

Lotus Tech focuses on public welfare initiatives in areas such as children's education, support for vulnerable groups, and ecological conservation, exploring innovative and diverse models to engage customers and employees in creating a positive environmental and social impact. The Company follows the *Measures for the Management of Lotus Tech Public Welfare Projects*, ensuring that public welfare initiatives are effectively planned, implemented, and managed to maximize their impact.

Focusing on the Next Education

- Lotus Tech partnered with the Lingshan Charity Foundation for the "Library Program" reading donation, offering reading materials to students at Shiyong Central Primary School in Linshui County, Sichuan Province, to spark their interest in reading.
- Lotus Tech provided training support for student racing teams from universities such as Tongji University and Beijing Institute of Technology, facilitating technical exchanges on areas including race car structure design and autonomous driving algorithms to help cultivate innovative talent in the automotive industry.
- As an expert in question-setting and review, Lotus Tech participated in the third Chinese Graduate "Dual Carbon" Innovation Competition, contributing to talent development and technological advancement in the field.

Caring for Vulnerable Groups

- In collaboration with the Willing Hearts Foundation, a charity based in Singapore, Lotus Tech organized community welfare activities and distributed over 60 meal kits to those in need, contributing to social welfare efforts.

Biodiversity and Ecological Conservation

- Lotus Tech planted a public welfare forest of saxaul trees in the desert of Minqin County, Gansu Province, to create a green barrier and aid in desertification control.
- Lotus Tech supported the conservation of the wild Asian honeybee, a second-class national protected species, through a "purchase instead of donate" approach, initiative, and participated in the Miyun Reservoir conservation campaign to promote ecosystem balance and species breeding.

CONTENT INDEX

Instructions Lotus Tech prepared this report in accordance with the GRI Standards, covering the reporting period from January 1, 2024 to December 31, 2024.

GRI 1 used GRI 1: Foundation 2021

Indicator	Disclosure	Page/Comment
	GRI 2: General Disclosures 2021	
2-1	Organizational details	3
2-2	Entities included in the organization's sustainability reporting	1
2-3	Reporting period, frequency and contact point	1
2-4	Restatements of information	33
2-5	External assurance	57
2-6	Activities, value chain and other business relationships	3
2-7	Employees	45
2-8	Workers who are not employees	45
2-9	Governance structure and composition	4
2-10	Nomination and selection of the highest governance body	Disclosure on Investor Relations website.
2-11	Chair of the highest governance body	Annual report on Form 20-F
2-12	Role of the highest governance body in overseeing the management of impacts	4
2-13	Delegation of responsibility for managing impacts	4
2-14	Role of the highest governance body in sustainability reporting	4
2-15	Conflicts of interest	Annual report on Form 20-F
2-16	Communication of critical concerns	7
2-17	Collective knowledge of the highest governance body	2
2-18	Evaluation of the performance of the highest governance body	4
2-19	Remuneration policies	46
2-20	Process to determine remuneration	46
2-21	Annual total compensation ratio	Information is currently unavailable.
2-22	Statement on sustainable development strategy	5
2-23	Policy commitments	37
2-24	Embedding policy commitments	37
2-25	Processes to remediate negative impacts	39
2-26	Mechanisms for seeking advice and raising concerns	38
2-27	Compliance with laws and regulations	37
2-28	Membership associations	2
2-29	Approach to stakeholder engagement	7
2-30	Collective bargaining agreements	Information is currently unavailable.
	GRI 3: Material Topics 2021	
3-1	Process to determine material topics	6
3-2	List of material topics	6
3-3	Management of material topics	6
	GRI 201: Economic Performance 2016	
201-1	Direct economic value generated and distributed	Annual report on Form 20-F
201-2	Financial implications and other risks and opportunities due to climate change	25
201-3	Defined benefit plan obligations and other retirement plans	46
201-4	Financial assistance received from government	Annual report on Form 20-F
	GRI 202: Market Presence 2016	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information is currently unavailable.
202-2	Disclosure 202-2 Proportion of senior management hired from the local community	Information is currently unavailable.
	GRI 203: Indirect Economic Impacts 2016	
203-1	Infrastructure investments and services supported	14

Indicator	Disclosure	Page/Comment
203-2	Significant indirect economic impacts	Information is currently unavailable.
	GRI 204: Procurement Practices 2016	
204-1	Proportion of spending on local suppliers	Information is currently unavailable.
	GRI 205: Anti-corruption 2016	
205-1	Operations assessed for risks related to corruption	39
205-2	Communication and training about anti-corruption policies and procedures	39
205-3	Confirmed incidents of corruption and actions taken	39
	GRI 206: Anti-competitive Behavior 2016	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	39
	GRI 207: Tax 2019	
207-1	Approach to tax	40
207-2	Tax governance, control, and risk management	40
207-3	Stakeholder engagement and management of concerns related to tax	40
207-4	Country-by-country reporting	No need to prepare the annual country report currently.
	GRI 301: Materials 2016	
301-1	Materials used by weight or volume	Information is currently unavailable.
301-2	Recycled input materials used	11-13
301-3	Reclaimed products and their packaging materials	11-13
	GRI 302: Energy 2016	
302-1	Energy consumption within the organization	32
302-2	Energy consumption outside of the organization	32
302-3	Energy intensity	Information is currently unavailable.
302-4	Reduction of energy consumption	29
302-5	Reductions in energy requirements of products and services	11-13
	GRI 303: Water and Effluents 2018	
303-1	Interactions with water as a shared resource	34
303-2	Management of water discharge-related impacts	34
303-3	Water withdrawal	34
303-4	Water discharge	Information is currently unavailable.
303-5	Water consumption	34
	GRI 304: Biodiversity 2016	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35
304-2	Significant impacts of activities, products and services on biodiversity	35
304-3	Habitats protected or restored	35
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information is currently unavailable.
	GRI 305: Emissions 2016	
305-1	Direct (Scope 1) GHG emissions	33
305-2	Energy indirect (Scope 2) GHG emissions	33
305-3	Other indirect (Scope 3) GHG emissions	33
305-4	GHG emissions intensity	27
305-5	Reduction of GHG emissions	28
305-6	Emissions of ozone-depleting substances (ODS)	Information is currently unavailable.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	34
	GRI 306: Waste 2020	
306-1	Waste generation and significant waste-related impacts	34
306-2	Management of significant waste related impacts	34
306-3	Waste generated	34
306-4	Waste diverted from disposal	34
306-5	Waste directed to disposal	34
	GRI 308: Supplier Environmental Assessment 2016	
308-1	New suppliers that were screened using environmental criteria	28
308-2	Negative environmental impacts in the supply chain and actions taken	50

Indicator	Disclosure	Page/Comment
	GRI 401: Employment 2016	
401-1	New employee hires and employee turnover	Information is currently unavailable.
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	46
401-3	Parental leave	46
	GRI 402: Labor/Management Relations 2016	
402-1	Minimum notice periods regarding operational changes	Depending on the specific situation.
	GRI 403: Occupational Health and Safety 2018	
403-1	Occupational health and safety management system	49
403-2	Hazard identification, risk assessment, and incident investigation	49
403-3	Occupational health services	49
403-4	Worker participation, consultation, and communication on occupational health and safety	49
403-5	Worker training on occupational health and safety	49
403-6	Promotion of worker health	49
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49
403-8	Workers covered by an occupational health and safety management system	49
403-9	Work-related injuries	49
403-10	Work-related ill health	No relevant issues have been identified during the reporting period.
	GRI 404: Training and Education 2016	
404-1	Average hours of training per year per employee	48
404-2	Programs for upgrading employee skills and transition assistance programs	48
404-3	Percentage of employees receiving regular performance and career development reviews	46
	GRI 405: Diversity and Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees	37/45
405-2	Ratio of basic salary and remuneration of women to men	46
	GRI 406: Non-discrimination 2016	
406-1	Incidents of discrimination and corrective actions taken	45
	GRI 407: Freedom of Association and Collective Bargaining 2016	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information is currently unavailable.
	GRI 408: Child Labor 2016	
408-1	Operations and suppliers at significant risk for incidents of child labor	Information is currently unavailable.
	GRI 409: Forced or Compulsory Labor 2016	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information is currently unavailable.
	GRI 413: Local Communities 2016	
413-1	Operations with local community engagement, impact assessments, and development programs	52
413-2	Operations with significant actual and potential negative impacts on local communities	Information is currently unavailable.
	GRI 414: Supplier Social Assessment 2016	
414-1	New suppliers that were screened using social criteria	50
414-2	Negative social impacts in the supply chain and actions taken	50
	GRI 415: Public Policy 2016	
415-1	Political contributions	Information is currently unavailable.
	GRI 416: Customer Health and Safety 2016	
416-1	Assessment of the health and safety impacts of product and service categories	16-19
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16-19
	GRI 417: Marketing and Labeling 2016	
417-1	Requirements for product and service information and labeling	20
417-2	Incidents of non-compliance concerning product and service information and labeling	20
417-3	Incidents of non-compliance concerning marketing communications	20
	GRI 418: Customer Privacy 2016	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	42

VERIFICATION STATEMENT

TÜVNORD

Assurance statement No.CN-202505-CSR-01

TÜV NORD (Hangzhou) Co., Ltd. (hereinafter referred to as 'TÜV NORD') has been commissioned by the management of Lotus Technology Inc. (hereinafter referred to as 'Lotus Tech') to carry out an independent third-party assurance of Lotus Tech's 2024 Environmental, Social and Governance Report (hereinafter referred to as 'Report').
Lotus Tech is responsible for the collection, analysis, aggregation and presentation of information within the Report. TÜV NORD carries out this work (assurance of the Report) within the terms of reference agreed in the agreement with Lotus Tech. Lotus Tech is the designated user of this statement.
This statement is based on the 2024 Environmental, Social and Governance Report prepared by Lotus Tech. Lotus Tech is responsible for the integrity and authenticity of the information and data in the Report.

User of Assurance Statement
This assurance statement is provided to all stakeholders of Lotus Tech.

Assurance Scope
· The Report discloses key environmental, social and governance and related information that happened in 2024.
· We evaluated the management process of collection, analysis, inspection of the information and data.
· Due to the economic data/carbon emission data had been audited by the third party, we did not do double audit this time.
The assurance period is from March 31 to April 1, 2025.

Assurance Method
The assurance process includes the following activities:
· Review the document information which is provided by Lotus Tech.
· Interview the person who collected the report information.
· View the related websites and media reports, verify the data and information through sampling method.
· Refer to GRI Sustainability Reporting Standards (GRI Standards 2021) for sustainable development reporting on balance, comparability, accuracy, timeliness, clarity and reliability requirements, we evaluate the report.

Assurance Standard and Level
TÜV NORD Rules for the Implementation of Report Assurance SC-P-A015, Rev.00 (refer to AA1000 Assurance Standard (V3)/ISSA 5000 General Requirements for Sustainable Development Assurance), assurance level: medium assurance/limited assurance.

Assurance Conclusion
The 2024 Environmental, Social and Governance Report prepared by Lotus Tech comprehensively discussed the actions and performance of Lotus Tech in fulfilling its environmental, social and governance in 2024. The data in the Report is reliable and objective and TÜV NORD found no systemic or substantial errors.

· Balance: The Report discloses the data such as the emissions of VOCs, work-related injury, etc., with a certain degree of balance.
· Comparability: The Report discloses GHG emissions, total wastewater discharge and waste recycled in 2022, 2023 and 2024, which is comparable.
· Accuracy: Sampling verify finds that cases and data disclosed in the Report are generally objective and accurate.
· Timeliness: The disclosure period of the Report is environmental, social and governance in 2024. The Company has released reports regularly for three consecutive years, with good timeliness.
· Clarity: The Report uses various formats such as pictures, charts, annotations, etc., making the information in the Report comprehensible.
· Reliability: ESG Department of Lotus Tech is responsible for collecting, recording, compiling and analyzing the information and processes used in preparing the Report. Sample data could be traced back to their sources, ensuring the quality and materiality of the information to a certain extent.

Suggestions for Improvement
Through verification and evaluation, we have improvement suggestions on ESG practice and management, all of these are described in the assurance report of environmental, social and govenance report and submitted to Lotus Tech's ESG department for continuous improvement.

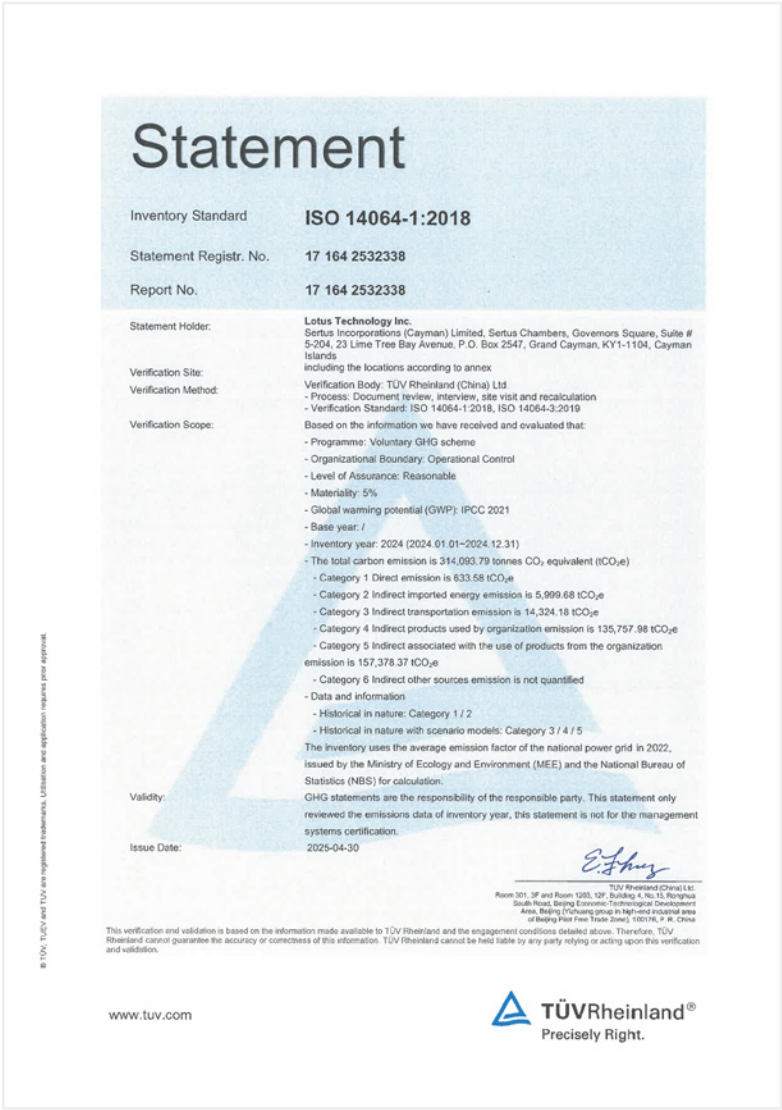
Special Statement
This statement excludes:
· The activity outside information reveal.
· The position, ideas, beliefs, goals, future development direction and commitment which stated by Lotus Tech.

Statement of Independence and Competence
TÜV NORD is the world's leading Certification Body in inspection, testing and assurance, operating in more than 100 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, occupational health and safety, social responsibility auditing and training; environmental, social responsibility and sustainability report assurance.
TÜV NORD (Hangzhou) Co., Ltd. is an independent organization registered and established by TÜV NORD in China and ensure that there are no conflicts of interest with Lotus Tech or its branches and stakeholders during the implementation of the assurance process of this report. All information in this report was provided by Lotus Tech, and TÜV NORD was not involved in the report preparation process.

TÜV NORD (Hangzhou) Co., Ltd.

The authorized person: Mr. Wang Peng
Date: May 9th, 2025

Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.



Statement

Inventory Standard	ISO 14064-1:2018
Statement Registr. No.	17 164 2532338
Report No.	17 164 2532338

Statement Holder: **Lotus Technology Inc.**
Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands
including the locations according to annex

Verification Site:

Verification Method: Verification Body: TÜV Rheinland (China) Ltd.
- Process: Document review, interview, site visit and recalculation
- Verification Standard: ISO 14064-1:2018, ISO 14064-3:2019

Verification Scope: Based on the information we have received and evaluated that:
- Programme: Voluntary GHG scheme
- Organizational Boundary: Operational Control
- Level of Assurance: Reasonable
- Materiality: 5%
- Global warming potential (GWP): IPCC 2021
- Base year: /
- Inventory year: 2024 (2024.01.01~2024.12.31)
- The total carbon emission is 314,093.79 tonnes CO_2 equivalent (tCO_2e)
  - Category 1 Direct emission is 633.58 tCO_2e
  - Category 2 Indirect imported energy emission is 5,999.68 tCO_2e
  - Category 3 Indirect transportation emission is 14,324.18 tCO_2e
  - Category 4 Indirect products used by organization emission is 135,757.98 tCO_2e
  - Category 5 Indirect associated with the use of products from the organization emission is 157,378.37 tCO_2e
  - Category 6 Indirect other sources emission is not quantified
- Data and information
  - Historical in nature: Category 1 / 2
  - Historical in nature with scenario models: Category 3 / 4 / 5

The inventory uses the average emission factor of the national power grid in 2022, issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics (NBS) for calculation.

Validity: GHG statements are the responsibility of the responsible party. This statement only reviewed the emissions data of inventory year, this statement is not for the management systems certification.

Issue Date: 2025-04-30

TÜV Rheinland (China) Ltd.
Room 301, 3F and Room 1203, 12F, Building 4, No.15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing (Yizhuang group in high-end industrial area of Beijing Pilot Free Trade Zone), 100176, P. R. China

This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions detailed above. Therefore, TÜV Rheinland cannot guarantee the accuracy or correctness of this information. TÜV Rheinland cannot be held liable by any party relying or acting upon this verification and validation.

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FEEDBACK

Dear stakeholders,

Thank you for reading the Lotus Tech ESG Report 2024. We highly value your feedback and valuable suggestions to help us continuously improve.

Please tick the appropriate box ✓

Do you think this report adequately represents the significant information about Lotus Tech's environmental, social, and governance aspects?

☐ yes ☐ no ☐ unclear

Do you think the indicators disclosed in this report are clear, accurate, and complete?

☐ yes ☐ no ☐ unclear

Do you think the content arrangement and style design of this report are easy to read?

☐ yes ☐ no ☐ unclear

What other information do you think needs to be known but is not reflected in this report?

_____

Do you have any suggestions for Lotus Tech's future publication of ESG report?

_____

Please send your opinions to: esg@lotuscars.com.cn
Thanks for your feedback!


LOTUS