Addressing Climate Change

Climate change is driving an increased frequency of extreme weather events and profoundly reshaping the trajectory of socio-economic development, thereby imposing increasingly severe adaptation and transition pressures on corporate operations. As global climate governance reaches a pivotal shift from "rule-making negotiations" to "action implementation," the Group remains steadfast in a goal-oriented development approach, taking concrete actions to address climate challenges. In alignment with *IFRS S2 – Climate-related Disclosures*, we continuously identify, assess, and effectively manage climate-related risks and opportunities. Through these efforts, we fortify our own climate resilience while facilitating the broader societal transition toward a low-carbon economy.

Governance

The Group has established a three-tier climate governance framework covering governance, management, and executive levels. This structure ensures effective oversight and implementation of climate-related initiatives. The Board of Directors holds ultimate responsibility, providing strategic direction and comprehensive oversight for all climate governance matters. Additionally, the Group links key KPIs, such as green and low-carbon development, to the remuneration of employees and senior executives to drive the achievement of corporate climate goals.

On June 5, 2025, Zhang Xinghai, Chairman (Founder) of Seres Group Co., Ltd., was appointed as a 2025 Special Observer on Ecological Environment, becoming the first representative from the automotive industry to receive this appointment.

The Board of Directors

- The Board of Directors assumes ultimate responsibility for climate change governance.
- Decides on major climate related strategies and approves corporate carbon neutrality targets and the long-term roadmap.

The ESG Committee

- Responsible for reviewing climate-related objectives, strategies, and management policies.
- Reviews and monitors the implementation of climate-related initiatives and reports to the Board of Directors at least annually.

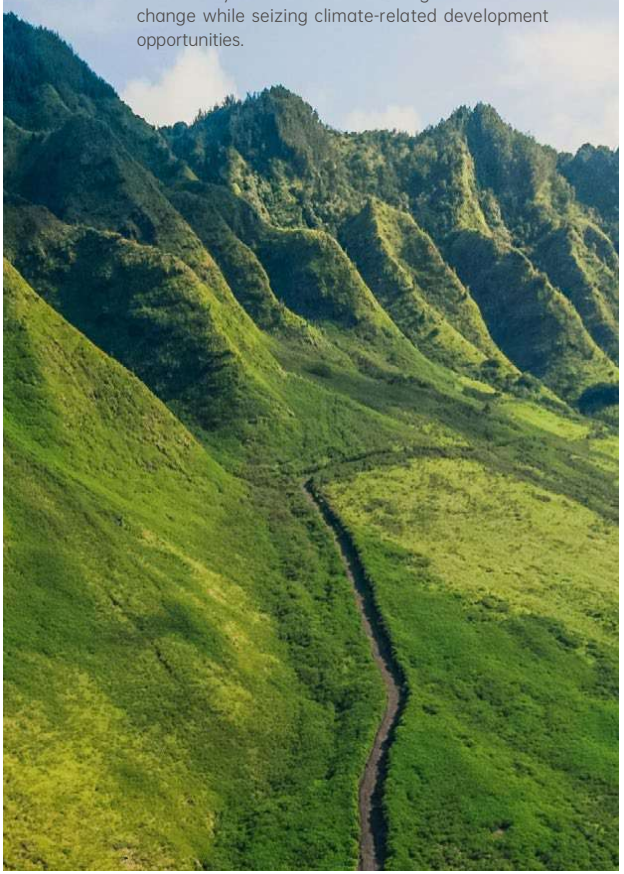
Addressing Climate Change Task Force

- Includes management representatives from the planning strategic headquarters, the supply chain system, and various technical systems.
- Takes full responsibility for coordinating, implementing, and dispatching all planning efforts for carbon peaking and carbon neutrality.
- Handles the concrete implementation and execution of climate strategy matters.
- Conducts data collection and organization while executing emission reduction tasks across functional departments and projects.

Climate Governance Structure

Strategy

The Group identifies climate change risks and opportunities across short-term (3 years), medium-term (3 to 5 years), and long-term (over 5 years) time horizons. Based on the assessment results, we strategically adjust our business operations to actively address the challenges of climate change while seizing climate-related development opportunities.



Climate-Related Risks and Opportunities

Identification and Response to Climate-Related Risks

Risk Category	Risk Name	Time Horizon	Risk Description	Response Measures
Transition Risk	Policy and Legal Risk	Short, Medium, Long	The global implementation of carbon emission restrictions (e.g., carbon taxes and emission quotas) may increase compliance and operational costs, subsequently impacting financial performance.	Strengthen policy analysis, refine response mechanisms, and optimize production processes and energy efficiency to reduce carbon compliance costs. Actively participate in carbon market development and policy formulation.
	Technical Risk	Short, Medium, Long	The rapid evolution of low-carbon technologies may depreciate the Group's existing technology reserves and necessitate increased R&D expenditure to maintain a competitive advantage.	Enhance technological R&D, establish a technology early-warning mechanism, and promote collaboration with industry peers and research institutions to share technologies and allocate R&D costs.
	Market Risk	Medium, Long	Growing environmental awareness is driving shifts in consumer demand, leading to a shrinking market for high-carbon products. Potential damage to the brand image could adversely affect sales revenue and market share.	Promote the development of new energy products, strengthen green brand building, enhance the transparency of ESG disclosures, and establish a green supply chain.
	Reputational Risk	Short, Medium	Investors and stakeholders are placing increasing emphasis on climate change. Failure to implement timely energy conservation and emission reduction measures, or to achieve carbon reduction targets, will negatively impact corporate reputation.	Take decisive action on energy conservation and emission reduction, strengthen industry-academia-research cooperation, and promote the achievement of carbon reduction targets.
Physical Risks	Acute Risk: Floods, Typhoons, and Rainstorms	Short, Medium, Long	Extreme weather events may cause facility damage, production interruptions, and supply chain disruptions, thereby increasing maintenance and downtime costs.	Comprehensively upgrade our flood control and drainage infrastructure, installing flood barriers, sandbags, and high-capacity drainage pumps, while also implementing sponge factory initiatives across our facilities.
	Acute Risk: Extreme Heat	Short, Medium, Long	Extreme heat may negatively impact employee health and process control (e.g., coating processes), increasing rework rates and consequently raising production costs.	Implement off-peak scheduling, provide cooling equipment and air-conditioned rest areas, enhance employee health monitoring, and optimize production processes to adapt to extreme high temperatures.
	Chronic Risk: Drought and Water Shortage	Medium, Long	Water scarcity can affect the operation of cooling systems and increase the risk of production stagnation, leading to reduced operational efficiency and higher downtime costs.	Adopt water-saving technologies, establish wastewater recycling systems, optimize cooling towers and water treatment technologies, explore zero-emission models, and conduct comprehensive water resource management.

Identification and Response to Climate-Related Opportunities

Opportunity Name	Opportunity Description	Response Measures
Products and Services	The transition towards green consumption is driving a surge in demand for new energy vehicles. The Group can leverage its technological leadership to expand market share and enhance brand premium.	Deepen the dual-technology roadmap of extended-range and pure electric vehicles to launch diversified green products. Implement low-power consumption solutions, such as AR-HUD and smart screen-off features, to build a competitive advantage rooted in high efficiency and long driving range.
Resource Efficiency	Promoting a circular economy and energy-saving processes not only reduces raw material and waste disposal costs but also enhances operational resilience across the entire value chain.	Apply energy- and water-saving processes, such as dry-type spray painting and counterflow rinsing, to significantly reduce resource use intensity. Promote a circular economy model to improve resource recovery and recycling rates throughout the product lifecycle, including waste recycling, reclaimed water reuse, and material recycling, thereby reducing production costs.
Energy Source	Increasing the proportion of low-carbon energy can mitigate the risk of fossil fuel price fluctuations, lower carbon quota compliance costs, and significantly improve ESG rating performance.	Accelerate the deployment of distributed photovoltaic systems to reduce energy-related carbon emissions. Actively integrate wind, solar, and hydropower into production and operations to optimize the overall energy mix.
Capital Market	Outstanding climate performance helps attract green finance investments, utilizing financial instruments such as green bonds to optimize financing structures and reduce capital costs.	Enhance climate performance to increase the Group's transparency and build investor trust in capital markets, thereby attracting more long-term green investors. Actively pursue green credit and green bonds to translate environmental performance into a capital advantage, attracting long-term value investors.

Climate Resilience Assessment

Seres separately analyzes climate-related physical risks and transition risks and continuously monitors global climate trends and energy transition dynamics based on the Shared Socioeconomic Pathways (SSP1-2.6 and SSP5-8.5 scenarios) from the IPCC Sixth Assessment Report, alongside the energy evolution pathways (NZE and STEPS scenarios) published by the International Energy Agency (IEA)[25]. By combining this with the Group's operational realities, we have conducted an in-depth analysis of the potential risks and opportunities under different scenarios. Following our evaluation, the Group's current business model and operating strategies demonstrate adequate resilience across all scenarios. We will remain committed to advancing our low carbon transition strategy to ensure sustained and robust development.

Climate Scenarios Selection

Dimension	NZE (Net Zero Emissions by 2050 Scenario)	STEPS (Stated Policies Scenario)	SSP1-2.6 (Sustainability and Strong Emission Reduction Scenario)	SSP5-8.5 (Fossil Fuel Dominated Development Scenario)
Natural Environment Changes	• Warming by 2100 is strictly limited to within 1.5°C.	• Warming by 2100 is projected to be around 2.5°C.	• Global warming by 2100 is highly likely to be limited to within 2°C (with over a 50% probability of remaining below 1.6°C). • Sea level rise is relatively minor. • The frequency and intensity of extreme weather are effectively controlled. • Changes in precipitation patterns are relatively mild.	• Global warming by 2100 could reach 3.3°C to 5.7°C (best estimate is approximately 4.4°C). • Sea levels rise significantly. • Extreme climate events (such as high temperatures and floods) occur frequently with substantially increased intensity. • Ecosystems face severe challenges.
Socioeconomic Environment	• A mandatory global consensus on carbon neutrality is reached. • Clean energy comprehensively replaces fossil fuels. • Carbon trading and carbon tax systems are extremely stringent.	• Only implemented or explicitly announced policies are considered. • Energy efficiency continues to improve but at a limited pace. • Carbon trading and carbon tax costs remain relatively low.	• International cooperation is strengthened to globally advance the green and low-carbon transition. • Green economy practices and renewable energy are widely applied. • Resource utilization efficiency is extremely high and circular economy concepts are deeply rooted.	• Economic development is highly dependent on fossil fuels and the green transition process is slow. • Regional development is extremely unbalanced and resource competition is increasingly prominent. • Environmental governance and the low-carbon transition face tremendous challenges.

[25] The selected scenario involves uncertainties in data and policy changes, and the analysis results may be adjusted.

Full Value Chain Carbon Strategy

To continuously reduce carbon emissions, the Group comprehensively builds a green and low-carbon new energy vehicle industry ecosystem spanning from source design and low-carbon manufacturing to terminal energy efficiency enhancement. We continuously promote the implementation of "zero carbon" and are dedicated to achieving a net zero emission transition across the entire product lifecycle.

Layout and Progress of the Low-carbon Whole Value Chain in 2025

Dimension	Layout and Progress of the Low-carbon Whole Value Chain in 2025
Upstream supply	• We set sustainability performance targets for all suppliers. • We conducted environmental assessments of suppliers and incorporated their carbon emission performance as a key criterion in supplier selection. • We advanced the deployment of lightweight emission-reduction technologies by collaborating closely with suppliers and universities, validating advanced materials and developing new energy-saving and emission-reduction technologies to strengthen our low-carbon technology capabilities. • The proportion of suppliers using renewable energy reached 47.5% in 2025. Carbon emission intensity among major component suppliers declined significantly, with per-unit emissions reduced by 48.68% for battery suppliers, 30.31% for powertrain suppliers, and 27.59% for motor suppliers.
Manufacturing	• Optimized energy structure and increased renewable energy usage; renewable electricity accounted for 36.14% of total consumption in 2025. • Through digital energy-carbon management and efficiency upgrades, carbon emission intensity per vehicle decreased by 18.92% year-on-year in the production and manufacturing process[26].
Logistics	• Outbound logistics: Promoted electrification, with new energy vehicles accounting for 25% of the external logistics fleet in 2025. • In-plant logistics: Achieved 100% electrification of loading, handling, and towing vehicles; energy-saving modes applied to automated equipment.
Sales	• 100% of user centers conducted green and low-carbon training for employees. • Improved energy efficiency through LED lighting, smart energy systems, optimized HVAC operations, and natural ventilation and lighting design. • Approximately 17% of user centers have utilized renewable energy, such as photovoltaic (PV) systems. • Battery recycling points established at all user centers.
Downstream use	• In 2025, the mileage of pure electric form reached 9.9 billion kilometers, accounting for 70% of the total mileage.

[26] In 2025, the calculation of the per-vehicle carbon emission intensity in the production and manufacturing process does not deduct external emission reductions such as green certificates and carbon sinks.

Impact, Risk and Opportunity Management

Seres deeply integrates energy management, carbon emission management and climate risk management. By solidifying our data foundation through energy management systems, carbon accounting and carbon footprint calculations, the Group systematically advances energy-saving technical retrofit and the adoption of clean energy alternatives. This comprehensively enhances our low-carbon operational capabilities and builds a resilient defense against climate change.

Climate Risk Management

The Group incorporates climate change issues into its overall risk management framework. By establishing systematic identification, assessment and monitoring mechanisms, we actively address climate challenges and proactively seize opportunities presented by the green and low-carbon transition.

Risk Identification	Identify business-related climate and energy risks by integrating scenario and policy analyses, addressing stakeholder expectations, and benchmarking against industry peer practices.
Risk Assessment	Evaluate the probability and impact of potential risks through comprehensive qualitative and quantitative analyses.
Risk Prioritization	Prioritize risks based on regulatory policies, market dynamics, stakeholder expectations, and overall business impact.
Risk Response	Develop systematic response plans and mitigation measures to implement targeted controls and preventative strategies for high-risk areas.

Clean Energy Utilization

The Group continues to optimize its energy mix through clean energy adoption and reduce carbon emissions across its operations. An integrated energy and carbon management initiative — combining photovoltaic power generation, energy storage applications, and energy digitalization — has been established to optimize the energy structure at source and accelerate the transition toward carbon-neutral manufacturing. In 2025, the Group continued to advance distributed photovoltaic deployment, bringing cumulative total installed capacity to 175.8 MW. Annual power generation from photovoltaic projects reached 146,468,200 kWh, reducing carbon dioxide emissions by approximately 77,716.03 tonnes[27].

Energy-Saving Retrofits

We actively advanced energy-saving technology upgrade projects across our factories, driving deeper emissions reduction potential in our production processes through process parallelization, equipment renewal, and fine-grained energy efficiency optimization. In 2025, we launched 34 new energy conservation and emission reduction projects with a total investment of RMB 180.36 million, saving 16,380.2 MWh kWh of electricity and 340,900 cubic meters of natural gas. Over the past two years, we achieved a cumulative greenhouse gas reduction of 103,200 tonnes.

2025 Energy-Saving Retrofit Highlight Projects

Painting Workshop Air Conditioning Parallel Retrofit: Annual natural gas savings of approximately **313,900** m^3 and electricity savings of approximately **548** MWh, substantially reducing winter heating energy consumption.

At our powertrain factory, we installed new compressed air storage tanks to improve transmission efficiency and optimize air supply matching. This project is expected to save approximately **320** MWh of electricity annually, significantly reducing the cost of compressed air generation.

Factory Lighting EMC (Energy Management Contract): Deployment of high-efficiency energy-saving luminaires to reduce lighting energy consumption, with annual electricity savings of **997.3** MWh.

Factory TNV (Topcoat and Electrophoresis) Waste Heat Recovery: Application of TNV waste heat recovery technology to reduce gas consumption, delivering annual natural gas savings of **22,100** m^3.

[27] According to the *Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity* issued by the Ministry of Ecology and Environment of the People's Republic of China in December 2025, the national average carbon dioxide emission factor for electricity is calculated as 0.5306 $kgCO_2e/kWh$.

Carbon Accounting and Carbon Footprint Calculation

The Group has established a systematic and digital carbon management system to provide robust support for achieving the strategic goal of reducing product carbon emission intensity by more than 38% by 2030 compared to 2022. In 2025, the Group deepened the development of its digital carbon management platform and innovatively created an integrated intelligent management system covering the "energy flow—carbon flow—data flow". Through the carbon accounting system connecting with energy data from each factory to achieve dynamic monitoring and assessment of internal energy consumption, and by relying on a carbon footprint management system that integrates standards such as ISO 14067: 2018, the Group connects upward to the supply chain procurement system. This achieves full-chain carbon emission monitoring and automatic report generation spanning upstream materials, production operations, transportation and logistics, distribution and store operations. Currently, the platform has received authoritative third-party certification, signifying that the Group's carbon data governance has entered a standardized and internationalized phase, achieving full-process closed-loop management from target setting to outcome evaluation.

To further penetrate the value chain, we simultaneously established and applied the "Seres Carbon Traceability Platform", enabling the efficient collection of primary emission data from the upstream supply chain. By building a high-quality carbon footprint database for automotive component products, we have significantly enhanced the traceability and transparency of carbon data, empowering the low-carbon transition of core components. In 2025, the Group achieved 100% coverage in lifecycle carbon footprint accounting across its entire product portfolio, utilizing data to drive decision-making and injecting strong momentum into the Group's green and low-carbon transition and sustainable development.

Carbon Management Digital Platform Certification

Leveraging its digital carbon management platform, the Group completed the quantification of greenhouse gas emissions for 2025 in accordance with prevailing domestic and international standards. In parallel, and in compliance with the carbon emissions trading management regulations of Chongqing Municipality and Hubei Province, the Group fulfilled its third-party verification and carbon emissions compliance obligations. Lifecycle carbon footprint accounting has been completed across the full product lineup.

Product Life Cycle Carbon Footprints of the Group

Vehicle Model	Full Lifecycle Carbon Emissions in 2025 ($kgCO_2e$)	Product Carbon Footprint per Unit Distance in 2025 (gCO_2e/km)	CATARC CPP Platform[28]
AITO M5 EVR	40,026	266.84	Carbon Rating Label Level 1 Low Carbon+
AITO M5 EV	32,982	219.88	Carbon Rating Label Level 1 Low Carbon+
AITO M7	42,200	281.33	Carbon Rating Label Level 1 Low Carbon+
AITO M9 EVR	42,248	281.65	Carbon Rating Label Level 1 Low Carbon+
AITO M9 EV	38,087	248.78	Carbon Rating Label Level 1 Low Carbon+
AITO M8 EVR	42,476	283.17	Carbon Rating Label Level 1 Low Carbon+
AITO M8 EV	34,173	227.82	Carbon Rating Label Level 1 Low Carbon+
Blue Electric E5	35,057	233.71	Carbon Rating Label Level 1 Low Carbon+
Blue Electric E5 PLUS	35,610	237.40	Carbon Rating Label Level 1 Low Carbon+

[28] The carbon footprint labels are based on the information published and disclosed on the China automobile industry chain Carbon Publicity Platform (CPP).

Metrics and Targets

The Group has established a scientific climate performance metric system. By dynamically monitoring carbon emissions and product life cycle carbon footprints, the Group comprehensively drives the green and low-carbon transition of its business. We have formulated medium- and long-term targets encompassing product carbon reduction, renewable energy utilization and synergistic supply chain emissions reductions, and have implemented management of Scope 3 greenhouse gas emissions.

The Group is steadily advancing the realization of its phased carbon reduction targets. Through the continuous implementation of core initiatives such as distributed photovoltaic construction, energy saving retrofits of production processes, green office practices and the development of a green supply chain, the Group ensures the achievement of its annual carbon emission intensity targets.

Climate Related Targets

By 2030

- The carbon emission intensity of per vehicle will be reduced by more than **38%**
- Renewable energy used in production factories will account for **30%** of total energy consumption
- Tier-1 supplier carbon emissions intensity will be decreased by **25%**

By 2045

- Strive for carbon neutrality in production and operations
- Strive for near-zero emissions throughout the product value chain

2025 Performance and Carbon Reduction Targets for 2026–2028

2025 (completion status)

- We optimized the energy consumption structure and increased the share of renewable energy. In 2025, carbon emission intensity per vehicle in manufacturing decreased by 18.92% year-on-year, while renewable electricity accounted for 36.14% of total power consumption, achieving the 2030 target of 30% renewable energy use ahead of schedule.
- In 2025, the proportion of suppliers using renewable energy reached 47.5%.
- Carbon emission intensity among major component suppliers declined significantly, with per-unit emissions reduced by 48.68% for battery suppliers, 30.31% for powertrain suppliers, and 27.59% for motor suppliers.

2026

- Carbon emission intensity per vehicle in manufacturing to decrease by 5%–10% year-on-year.
- Carbon emission intensity of Tier-1 suppliers to decrease by 3%–5% year-on-year.

2027

- Carbon emission intensity per vehicle in manufacturing to decrease by 5%–10% year-on-year.
- Carbon emission intensity of Tier-1 suppliers to decrease by 3%–5% year-on-year.

2028

- Carbon emission intensity per vehicle in manufacturing to decrease by 5%–10% year-on-year.
- Carbon emission intensity of Tier-1 suppliers to decrease by 3%–5% year-on-year.

Greenhouse Gas Emissions in 2025

Indicator	Unit	Data of 2025
Scope 1 greenhouse gas emissions	tCO_2e	51,494.36
Scope 2 greenhouse gas emissions	tCO_2e	114,841.51
Scope 3 greenhouse gas emissions	tCO_2e	21,270,918.96
Total greenhouse gas emissions (Scope 1 and 2)	tCO_2e	166,335.87
Greenhouse gas emission intensity (Scope 1 and 2)	tCO_2e/RMB 10,000 in revenue	0.0101
Total greenhouse gas emissions (Scope 1, 2 and 3)	tCO_2e	21,437,254.83

Energy Consumption in 2025

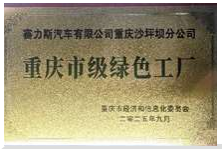
Indicator	Unit	Data of 2025
Comprehensive energy consumption	tce	89,297.21
	MWh	722,949.63
Comprehensive energy consumption intensity	tce/RMB 10,000 in revenue	0.0054
	MWh/ RMB 10,000 in revenue	0.0438
Purchased electricity	kwh	332,796,110.40
Gasoline consumption	Tonnes	4,417.96
Diesel fuel consumption	Tonnes	28.52
Natural gas consumption	Cubic meters	22,033,097

2025 Seres Climate Related Awards

Award	Awarded Entity	Awarding Body
National green factory	Seres Automobile Co., Ltd.	Ministry of Industry and Information Technology of People's Republic of China
National green factory	Seres Automobile Co., Ltd. Chongqing Shapingba Branch	Ministry of Industry and Information Technology of People's Republic of China
National green factory	Seres Automobile Co., Ltd. Chongqing Liangjiang Branch	Ministry of Industry and Information Technology of People's Republic of China
2025 China's Industrial Carbon Peak "Frontrunner" Enterprises	Seres Group Co., Ltd	China Federation of Industrial Economics
Chongqing Green Factory	Seres Automobile Co., Ltd. Chongqing Liangjiang Branch	Chongqing Municipal Economic Information Commission
Chongqing Green Factory	Seres Automobile Co., Ltd. Chongqing Shapingba Branch	Chongqing Municipal Economic Information Commission
Chongqing 2025 Green and Low Carbon Typical Case	Chongqing Xiaokang Power Co., Ltd.	Chongqing Municipal Ecological Environment Bureau
Chongqing 2025 Green and Low Carbon Typical Case	Seres Group Co., Ltd	Chongqing Municipal Ecological Environment Bureau
Practical Achievements of Ecological Civilization Construction in Chongqing	Seres Group Co., Ltd	Chongqing Municipal Ecological Environment Bureau, Chongqing Municipal Development and Reform Commission
2025 Carbon Management System Evaluation of Automobile Enterprises "Five-Star Enterprises"	Seres Group Co., Ltd	Evaluation Center for Energy Conservation and Green Development of Automobile Industry
2025 "Climate Lighthouse" Manufacturing Exemplary Award	Seres Automobile Co., Ltd.	Shanghai Climate Week Committee

Seres Automobile Co., Ltd. Liangjiang Branch receives SGS Carbon Neutrality Certification

Seres Super Factory receives the "Climate Lighthouse" Manufacturing Exemplary Award" at Shanghai Climate Week



Seres Automobile Co., Ltd. Chongqing Branch recognized as a Chongqing Municipal Green Factory

Seres Group Co., Ltd. selected as a China Industrial Carbon Peak "Frontrunner" Enterprise

Seres Automobile Co., Ltd. and its branches recognized as National-level Green Factories