
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

April 2024

Commission File Number: 001-39466

XPENG INC.

No. 8 Songgang Road, Changxing Street
Cencun, Tianhe District, Guangzhou
Guangdong 510640
People's Republic of China
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

XPENG INC.

By: /s/ Xiaopeng He
Name: Xiaopeng He
Title: Chairman and Chief Executive Officer

Date: April 17, 2024

XPENG Files 2023 Annual Report on Form 20-F

GUANGZHOU, China, Apr. 17, 2024 (GLOBE NEWSWIRE) — XPeng Inc. (“XPENG” or the “Company,” NYSE: XPEV and HKEX: 9868), a leading Chinese smart electric vehicle (“Smart EV”) company, today announced that it filed its annual report on Form 20-F for the fiscal year ended December 31, 2023 with the Securities and Exchange Commission (the “SEC”) on April 17, 2024. The annual report can be accessed on XPENG’s investor relations website at <https://ir.xiaopeng.com>.

The Company will provide a hard copy of its annual report, free of charge, to its shareholders and ADS holders upon request. Requests should be directed to ir@xiaopeng.com or Investor Relations Department at XPeng Inc., No. 8 Songgang Road, Changxing Street, Cencun, Tianhe District, Guangzhou, PRC.

About XPENG

XPENG is a leading Chinese Smart EV company that designs, develops, manufactures, and markets Smart EVs that appeal to the large and growing base of technology-savvy middle-class consumers. Its mission is to drive Smart EV transformation with technology, shaping the mobility experience of the future. In order to optimize its customers’ mobility experience, XPENG develops in-house its full-stack advanced driver-assistance system technology and in-car intelligent operating system, as well as core vehicle systems including powertrain and the electrical/electronic architecture. XPENG is headquartered in Guangzhou, China, with main offices in Beijing, Shanghai, Silicon Valley, San Diego and Amsterdam. The Company’s Smart EVs are mainly manufactured at its plants in Zhaoqing and Guangzhou, Guangdong province. For more information, please visit <https://www.xpeng.com/>.

Contacts:

For Investor Enquiries:

IR Department

XPeng Inc.

Email: ir@xiaopeng.com

Jenny Cai

Piacente Financial Communications

Tel: +1 212 481 2050 / +86 10 6508 0677

Email: xpeng@tpg-ir.com

For Media Enquiries:

PR Department

XPeng Inc.

Email: pr@xiaopeng.com

Source: XPeng Inc.

XPENG Publishes 2023 Environmental, Social and Governance Report

GUANGZHOU, China, April 17, 2024 (GLOBE NEWSWIRE) — XPeng Inc. (“XPENG” or the “Company,” NYSE: XPEV and HKEX: 9868), a leading Chinese smart electric vehicle (“Smart EV”) company, today published its 2023 Environmental, Social and Governance Report (the “Report”). The Report details how XPENG has carried forward its strategies and commitments outlined in its three ESG publications and provides updates on key initiatives and metrics.

Key highlights from the 2023 ESG report:

- **ESG Achievements:** XPENG achieved the highest possible MSCI ESG Rating of AAA.
- **Low carbon products:**
 - The 141,601 smart EVs delivered in 2023 will reduce carbon emissions by approximately 1.5 million metric tonnes over their entire life cycle, compared with conventional gasoline vehicles.
 - XPENG G9 obtained a C-GCAP Five-star Low-Carbon Rating in 2023.
- **Clean energy usage:** XPENG’s annual consumption of clean energy reached 23,996 MWh and its annual power generation from solar PV reached 41,071 MWh, demonstrating the strength of XPENG’s continuously optimized energy consumption structure.
- **Green manufacturing:** XPENG was inducted into the Green Manufacturing List of the Ministry of Industry and Information Technology and awarded the title of “National Green Supply Chain Management Enterprise.”
- **Boosting the circular economy:** XPENG established an end-to-end recycling management process for waste power batteries to promote waste resource utilization.
- **Excellent product quality:** XPENG is ISO 9001 certified, and no vehicle recalls occurred throughout 2023.
- **Product safety:** 3 XPENG models received the C-NCAP five-star safety rating, and 2 models received five-star safety ratings from EURO NCAP.
- **Technology innovation:** In 2023, XPENG achieved major breakthroughs in areas such as advanced driver-assistance system (ADAS), electric drive system, smart cockpit and charging technology. As of January 2, 2024, XNGP was fully accessible to users across 243 cities in China, and its geographical coverage continues to expand.
- **Quality Service:** XPENG’s customer satisfaction rating reached 96%. It also conducted a monthly Net Promoter Score (NPS) survey, increasing its average 2023 NPS score by 8% compared with its score in 2022.

- **Information Security:** No information security breaches, or other cybersecurity incidents occurred throughout the year, with data and information security responsibilities in place.
- **Strengthened Corporate Governance:** XPENG strengthened its impartial governance structure, diversifying its Board of Directors with independent non-executive directors accounting for 50% of the Board.
- **ESG Management:** XPENG formed a three-level sustainable development governance structure of “Board of Directors - ESG Steering Committee - ESG Working Group & E/S/G/Communication Matrix Group”, effectively improving internal ESG management capabilities

To view the full 2023 ESG Report, please visit the ESG section of XPENG’s Investor Relations website: <https://ir.xiaopeng.com/esg>.

About XPENG

XPENG is a leading Chinese Smart EV company that designs, develops, manufactures, and markets Smart EVs that appeal to the large and growing base of technology-savvy middle-class consumers. Its mission is to drive Smart EV transformation with technology, shaping the mobility experience of the future. In order to optimize its customers’ mobility experience, XPENG develops in-house its full-stack advanced driver-assistance system technology and in-car intelligent operating system, as well as core vehicle systems including powertrain and the electrical/electronic architecture. XPENG is headquartered in Guangzhou, China, with main offices in Beijing, Shanghai, Silicon Valley, San Diego and Amsterdam. The Company’s Smart EVs are mainly manufactured at its plants in Zhaoqing and Guangzhou, Guangdong province. For more information, please visit <https://www.xpeng.com/>.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Statements that are not historical facts, including statements about XPENG’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: XPENG’s goal and strategies; XPENG’s expansion plans; XPENG’s future business development, financial condition and results of operations; the trends in, and size of, China’s EV market; XPENG’s expectations regarding demand for, and market

acceptance of, its products and services; XPENG's expectations regarding its relationships with customers, suppliers, third-party service providers, strategic partners and other stakeholders; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in XPENG's filings with the United States Securities and Exchange Commission. All information provided in this announcement is as of the date of this announcement, and XPENG does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Contacts:

For Investor Enquiries:
IR Department
XPeng Inc.
Email: ir@xiaopeng.com

Jenny Cai
Piacente Financial Communications
Tel: +1 212 481 2050 / +86 10 6508 0677
Email: xpeng@tpe-ir.com

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Source: XPeng Inc.



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This report is the fourth Environmental, Social and Governance ("ESG") report issued by XPENG (XPeng Inc., hereafter referred to as "the Company"), which aims to showcase the management, commitment, actions and achievements of the Company and its subsidiaries in sustainable development.





2023 Highlights

| **Creating a Green Ecosystem** | Sustainability management, creating a low carbon future



Low carbon products:

Compared to conventional ICE vehicles, the electric vehicles delivered by XPENG in 2023 will reduce carbon emissions by approximately **1.50 million tonnes** over their entire lifecycle, advancing low-carbon transport. XPENG's G9 model obtained **the C-GCAP Five-star Low-Carbon Rating in 2023**.



Green transport:

Compiled the "**Logistics Planning White Paper**", supporting the green transformation of logistics.



Clean energy usage:

Annual consumption of clean energy reached **23,996 MWh**, and annual power generation from solar PV reached **41,071 MWh**, demonstrating our continuous optimization of energy consumption structure.



Green manufacturing:

XPENG was selected into **the Green Manufacturing List of the Ministry of Industry and Information Technology** and awarded the title of "**National Green Supply Chain Management Enterprise**".



Boosting the circular economy:

Established **an end-to-end recycling management process of waste power batteries** to promote waste resource utilization.

2023 Highlights

Practicing Responsible Management

Compliance management, setting a solid foundation for future development



ESG Achievements:

Achieved the world's highest MSCI ESG Rating of AAA.



ESG Management:

Formed a three-level sustainable development governance structure of "Board of Directors - ESG Steering Committee - ESG Working Group & E/S/G/Communication Matrix Group", effectively improving internal ESG management capabilities.



Strengthening Corporate Governance:

Independent non-executive directors account for 50% of the Board of Directors, improving corporate governance.



Integrity Management:

Conducted more than 15,880 hours of anti-corruption training sessions, with 16,760 employee participations, promoting a company culture of honesty and integrity.

About XPENG

Founded in 2015 and headquartered in Guangzhou, Guangdong Province, China, XPeng Inc. is a technology company focusing on the future of mobility and dedicated to designing, developing, manufacturing and marketing smart electric vehicles. The Company's mission is to drive Smart EV transformation with technology, shaping the mobility experience of the future. With continuous investment in its full-stack in-house R&D, XPENG actively builds up its core technology capabilities and aims to become one of the leading smart EV companies in China.

By the end of 2023, the Company had established six R&D centers, which reside in Beijing, Shanghai, Guangzhou, Shenzhen, Silicon Valley, and San Diego. XPENG develops in-house its full-stack advanced driver-assistance system and in-car intelligent operating system, taking the lead in realizing the inflection point of advanced driver-assistance system technology adoption and customer demand. In alliance with partners, XPENG will propel the large-scale adoption of smart electric vehicles and relevant technologies, striving to become the preferred smart electric vehicle brand for Chinese consumers.

XPENG History

2015

Chengxing Zhidong founded.



2017

Entered into our Series A, Series A1, and Series A2 financing arrangements.



2018

Entered into our Series B, Series B1, and Series B2 financing arrangements.

Commenced delivery of XPENG's first Smart EV model, the G3, to customers.



2019

Entered into our Series C financing arrangements.



XPENG's Honors



Xuanyuan Award Top 10 Cars of the Year - XPENG G6

Automotive Business Review



The most users in autonomous driving campaign in one month - XPENG G6

Guinness World Records



People's Favorite Car of the Year in Norway - XPENG G9

Norway People's Favorite



Technological Frontrunner of the Year - XPENG G9

Denmark Auto Awards

XPENG's Honors



National Green Factory - Zhaoqing XPeng Co., Ltd.

Ministry of Industry and Information Technology



Guangdong Advanced Lithium-Ion batteries (XPENG) Engineering Technology Research Center - Zhaoqing XPeng Co., Ltd.

Guangdong Association For Science and Technology



Outstanding Private Enterprise in Zhaoqing - Zhaoqing Xiaopeng New Energy Investment Co., Ltd.

Zhaoqing Municipal Committee



China's Top 500 Private Manufacturing Enterprises - Zhaoqing Xiaopeng New Energy Investment Co., Ltd.

All-China Federation of Industry and Commerce

Sustainability Management

XPENG has long upheld its sustainable development commitment by continuously improving its governance in sustainability, regularly communicating with the stakeholders and identifying material sustainability issues, consistently improving the level and practices of its sustainability management. In 2023, XPENG became one of the two domestic automotive companies selected into the S&P Global's Sustainability Yearbook, and was awarded the Industry's Best Progressive Company.

XPENG 

1 | Governance Structure for Sustainable Development

XPENG continues to optimize its internal sustainable development governance structure. In 2023, we renamed the "ESG Task Force" to the "ESG Working Group" and established a new "E/S/G/Communications Matrix Group" in parallel with the "ESG Working Group" to assist in the management of various ESG-related matters. As such, the Company's sustainable development governance structure of "Board of Directors - ESG Steering Committee - ESG Working Group & E/S/G/Communication Matrix Group" was eventually formed.




2 | Stakeholder Engagement

Stakeholder engagement is crucial for us to ensure our ESG management. We establish close ties with stakeholders through multi-pronged communication mechanisms, protecting stakeholders' rights to information and participate, and integrate stakeholder expectations gathered into the Company's operations, working together with all stakeholders to achieve sustainable development.

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3 | Materiality Assessment to Identify Sustainability Topics

We value stakeholder opinions and expectations. Through active communication and proactive research, we receive the opinions and suggestions of various stakeholders, identify important ESG issues and disclose the progress in managing relevant issues in the ESG report.

XPENG's materiality assessment is mainly divided into the following stages:

XPENG +

01 Identifying the Material Issues

Based on the original list of important issues, we identify and classify material issues for the reported year and build a database based on the following five aspects: national policies, company development plans, ESG disclosure standards, ESG rating indicators for the capital market, and peer issue bench-marking.

02 Stakeholder Communications

Feedback is gathered from Directors, management, employees, customers, investors, partners, media, the public and other stakeholders in daily operation regarding XPENG's sustainable development as the basis for screening material issues. The Board participated in the screening, evaluation and supervision processes regarding material issues, and several directors filled out materiality analysis questionnaires to provide feedback on the issues and suggestions related to ESG management.

03 Materiality Assessment and Review

According to the materiality principle, the survey results are statistically analyzed, and each issue is given a different weight according to the degree of risk. These issues are classified into two dimensions, "importance to the Company's development" and "importance to stakeholders," and lined up in order of degree of materiality, respectively, leading to a materiality mapping matrix. The mapping results are reviewed and evaluated by the Company's management and external professionals.

04 Materiality Disclosure

We design and implement action plans on materiality issues, highlighting the disclosure of relevant information in the report.



>< 01

Excellent Products, Shaping the Future of Mobility Introduction

XPENG has always been adhering to its brand vision of "Explorer of Future Mobility" and is committed to leveraging technology to evolve the public's smart mobility. In ongoing efforts to explore, we maintain our leadership in technology and leverage high-quality products and services to drive the transformation of mobility towards a smarter, higher dimensional, and lower carbon future.

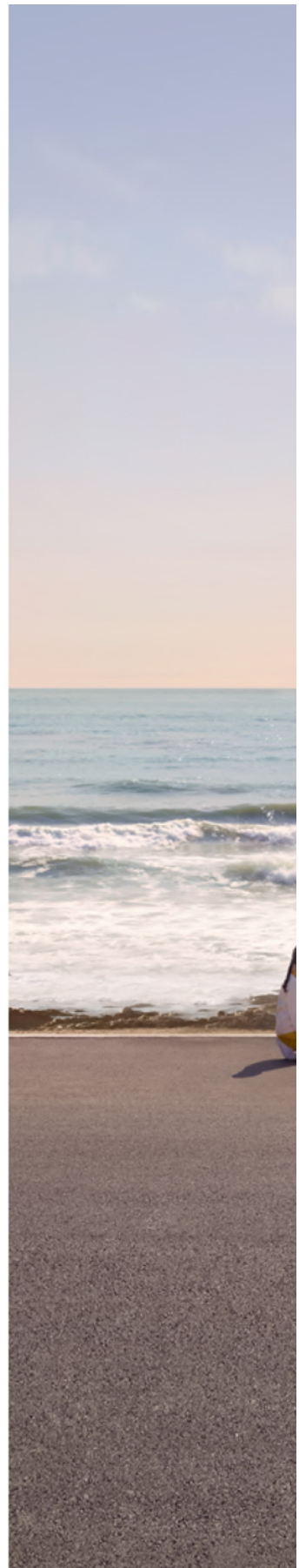
5,276.6 Million CNY
Investment product
and technology R&D .

40%
Percentage of R&D
total employees.

727
New patents granted.

EXPLORER
OF FUTURE MOBILITY

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[Feature story] Continuing to explore the boundaries of the future

XPENG regards its technological leadership as the Company's core competitive strength and brings together a number of "X" technologies. We closely follow market demand dynamics and lead China's automotive technology advancements by developing innovative products, cultivating R&D talents, and expanding our business in innovative fields.

XPENG 

1 | Achievements in Technology Innovation

XPENG works closely with industry partners on research and development, and is committed to applying the latest research and development outcomes into actual products to enhance user experience and promote the advancement of the smart electric vehicle industry. At the same time, we are also actively collaborating with upstream and downstream enterprises in the value chain to jointly create an open and win-win smart commute ecosystem to provide users with more convenient and smarter mobility solutions.





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| Industry Cooperation |

Building on its industry-leading technology capabilities, XPENG is committed to fostering in-depth cooperation within the industry to jointly promote the development of smart electric vehicle industry. We believe that by sharing resources, technology, and experience we will create better products and services and provide customers with a safer, more comfortable and more convenient mobility experience.

XPENG 

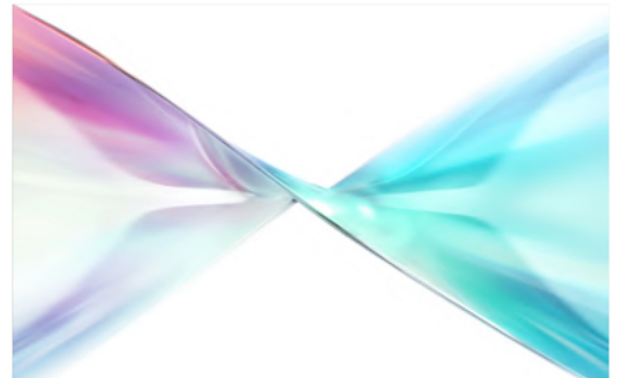
[Case Study] XPENG and the Volkswagen Group form a long-term strategic partnership

On July 27, 2023, XPENG announced that the Company and Volkswagen Group entered into a framework agreement on strategic technical collaboration. XPENG and the Volkswagen Group will jointly develop two B-class electric vehicles and explore more cooperation opportunities in multiple areas, including collaboration on next-generation electric vehicle platforms, software technology and supply chain. At the same time, the Volkswagen Group made a strategic minority investment in XPENG and signed a share purchase agreement. The two parties will establish a long-term strategic partnership and jointly explore the future of smart electric vehicles.



[Case Study] XPENG and Didi reach strategic cooperation

On August 28, 2023, XPENG announced that the Company and Didi reached a strategic cooperation to jointly promote the adoption of smart electric vehicles and accelerate progress towards "technology inclusion, intelligence equality." This strategic cooperation centers on an A-class smart electric vehicle that will be rolled out to mass market as the initial product under a new brand of XPENG. This cooperation will bring XPENG to the next phase of multi-brand development, strengthening its technological competitiveness in the A-class market, and leading a new era of smart EV.



2 | R&D Systems and Technology Roadmap

XPENG continues to optimize its product R&D systems, increase R&D investment and conducts in-depth research of market trends and customer needs to guide strategies for R&D and innovation. The Company sets a clear R&D strategy, by deploying international R&D centers and task forces as well as improving innovation incentives and IP protection measures. It is committed to maintaining its leading position in smart electric vehicle technology development and product innovation, creating more possibilities for the future of mobility. In 2023, we made significant investments in research on energy saving, power reduction and range extension, among other areas of intelligent driving, charging technology, electrical/electronic architecture and more. In 2024, XPENG plans to invest more than CNY 6 billion in technology research and development.

XPENG 

| Indicators | 2020 | 2021 | 2022 | 2023 |
|---|---------|---------|---------|---------|
| R&D Investment (CNY million) | 1,725.9 | 4,114.3 | 5,214.8 | 5,276.6 |
| Number of R&D positions | 2,063 | 5,271 | 6,313 | 5,401 |
| R&D investment as a percentage of revenue (%) | 29.5 | 19.6 | 19.4 | 17.2 |

XPENG adheres to the R&D strategy of "Leading in China and expanding globally", advancing innovations in autonomous driving, intelligent connectivity and core automotive systems through its leading integrated software and hardware technologies to lead the way to reshape the future of mobility. As China's pioneer in in-house development of full-stack autonomous driving technology, we have successfully enabled ADAS functions on mass-produced vehicles for highway and urban driving scenarios.

As of the end of 2023, XPENG has already established 6 R&D centers in Guangzhou, Shanghai, Silicon Valley, San Diego, among others, and gradually built out its R&D systems that take the lead in China with global reach.



In 2023, XPENG

727

Obtained patents

16

Obtained copyrights

95

Obtained trademarks



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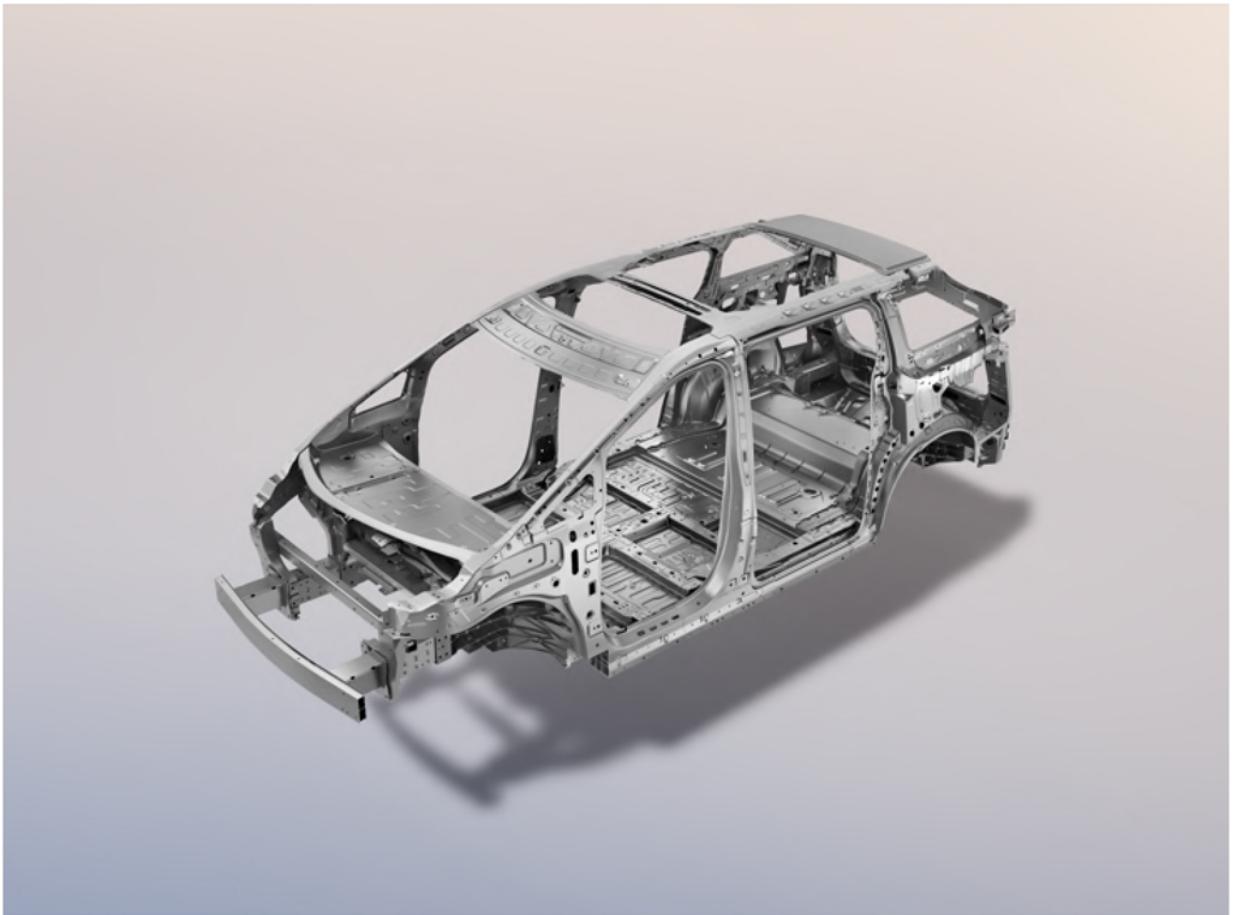
1.1 | Quality Products

XPENG consistently prioritizes product quality and safety and is committed to providing consumers with high-quality products. Through strict quality control systems and advanced production processes, we ensure that each vehicle meets high quality standard requirements. At the same time, the Company attaches great importance to the research, development and QC testing on product safety performance and adopts advanced safety technology and equipment to provide passengers with all-round protection.



1.1.2 | Product Quality

XPENG continues to heighten its quality management standards. In the development process of vehicle powertrain system, we fully comply with the laws and regulations of the European Union and strictly comply with the requirements of WLTP⁴. We have formulated a series of management procedures such as the Process Quality Control Procedures and the Vehicle Inspection and Control Procedures to determine the standardized process of quality management and the quality control responsibilities of each department, aiming to steadily improve product quality. The Company has set quality standards in the field of supplier quality engineering (SQE), encompassing five major sub-sectors and a total of 30 sub-targets. At the same time, we formulated the annual SQE progressive plan and conducted monthly performance follow-up. In 2023, XPENG P7/P7i and XPENG G9 obtained WVTA certification. On November 15, 2023, XPENG G9 was awarded as the 2023 Automotive Disciplined Innovator.



Note: 4.WLTP, World Light Vehicle Test Procedure

| Quality Management Objectives |

In accordance with the "Quality Objective Management Procedure", XPENG delegates the annual first-tier quality targets into various relevant centers and departments, clarifying monitoring frequencies and reward and punishment rules to ensure that the targets are closely linked to organizational performance. In order to monitor the achievement of goals in real time, we use online quality dashboards to conduct center-level and company-level quality meetings, and review, report and improve every month to ensure the smooth progress towards our targets. With the quality management strategy 2.0, we have built a full-process quality control system that penetrates the entire process and breaks it down into five major areas year by year.

01 Phase 1

Establish a self-sustainable closed loop system

02 Phase 2

Make the self-sustainable closed loop system fully operational

03 Phase 3

Leading in quality and setting the industry benchmark



XPENG strictly complies with national laws, regulations and measures including the “Regulations on the Administration of Recall of Defective Automobile Products ” and the “Measures for Implementation of Regulations on the Administration of Recall of Defective Automobile Products”, and has formulated internal product recall management systems such as the “Administrative Measures for Recall of Defective Automobile Products”, improving the Company’s product traceability and recall system and protecting the basic rights and interests of consumers. In 2023, the Company had no recalls due to product quality or safety issues.

| Indicator | 2020 | 2021 | 2022 | 2023 |
|--------------------------------------|------|--------|------|------|
| Number of product recalls (vehicles) | 0 | 13,399 | 0 | 0 |

| Indicator | 2020 | 2021 | 2022 | 2023 |
|---|-----------|------------|------------|------------|
| Balance at the beginning of the stipulated warranty period (unit: thousand CNY) | 34,597 | 111,351 | 371,140 | 641,062 |
| Fees paid during the warranty period (unit: thousand CNY) | 925 | 32,352 | 61,551 | 228,674 |
| Operating income (unit: thousand CNY) | 5,844,321 | 20,988,131 | 26,855,119 | 30,676,067 |
| Warranty expenses as a percentage of annual revenue | 0.016% | 0.15% | 0.23% | 0.75% |

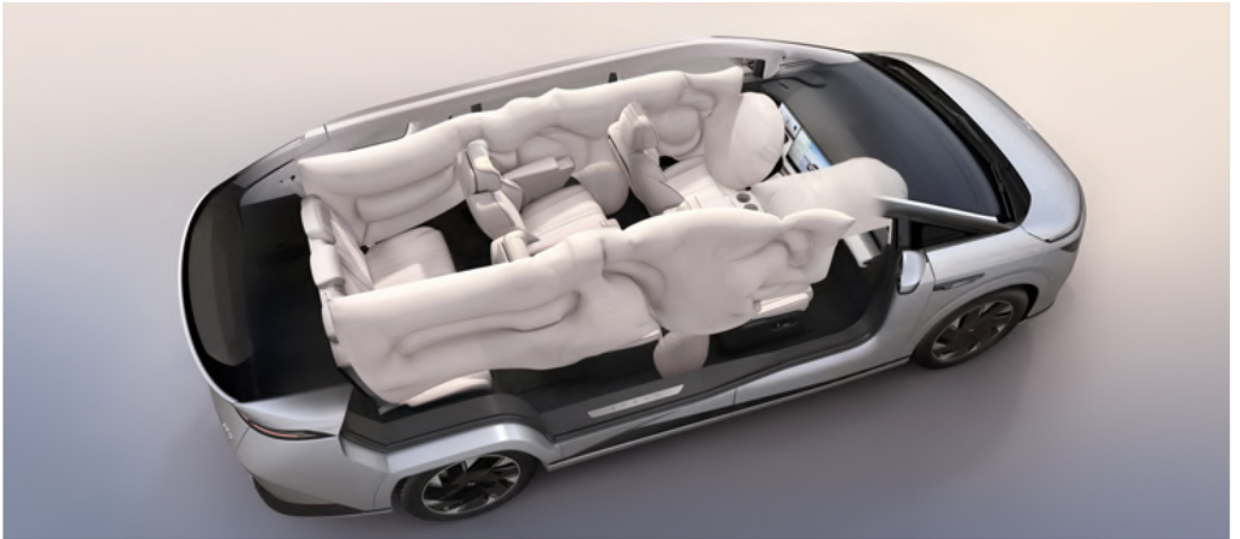
| Emergency Response Assurance |

In order to strengthen its ability to handle risk incidents and maximize risk prevention and resolution, XPENG has formulated the “Management Measures for National Standard Data Quality”, the “Management Measures for Market Quality Information” and the “Management Measures for Quality Issues” to improve the process of analysis and resolution of quality-related problems. At the same time, we have formulated emergency response plans for all products, and have diversified and improved the safety of our supply chains by conducting dynamic evaluations and hierarchical management, while promoting VMI supplier practices and multi-echelon supply chains.

1.1.3 | Product Safety

XPENG adopts the product safety management guideline of “valuing safety and innovation, upholding compliance and responsibility”, and has formulated and released internal management systems related to product safety, such as the “Product Safety System Management Manual”, “Product Safety Design Procedures”, “Safety Design Standards for Power Batteries”, “Management Measures for Investigation of Potential Safety Hazards in New Energy”, and “Emergency Plan for Major Electric Vehicle Accidents”, to establish and improve the safety management system for the entire product life cycle. In addition, guided by the goal of safe production, we have further defined safety responsibilities, safeguarding the Company’s stable operation and high-quality development.

XPENG 



| Mechanism Construction |

Established an "Electric Vehicle Major Accident Emergency Plan" and "Extreme Weather Response and Management Measures" to formulate complete response and disposal procedures for different levels of accidents to ensure timely and effective response to various emergencies. Established a three-level response plan and a "7×24 hour" all-weather accident emergency response channel to ensure clear work authority when a crisis occurs.



| Risk Monitoring |

In accordance with the GB/T 32960-2016 "Technical Specifications of Remote Service and Management System for Electric Vehicles" standard, a new energy vehicle enterprise monitoring platform (National Standard 32960 Platform) was established, allowing real-time monitoring of the entire vehicle, power battery, drive motor, vehicle faults and other related information.



| Risk Assessment |

The Product Safety Working Group is responsible for formulating product safety assessment guidelines, conducting risk assessments, and classifying and prioritizing potential safety risks. Records of the entire process are retained for subsequent analysis.



| Product Safety Audits |

The Company has established a set of safety management indicators for monitoring product quality and safety, operational safety, accident response and analysis, etc., and regularly conducts monitoring, measurement, analysis, evaluation and improvements. In addition, the Company also conducts internal audits at least once a year to ensure the adequacy and effectiveness of the product safety management system.



| Product Safety Training |

Launched a one-stop knowledge zone for smart vehicle safety, covering regulatory standards, technical standards, safety procedures and practical cases. The Company pushed this learning resource to all employees, aiming to provide guidance and learning materials related to smart vehicle safety for project decision makers and developers, supporting them to be more accurate and comprehensive in decision-making and judgment processes. In 2023, the Company carried out product safety knowledge Q & A events, in which a total of 85 relevant professionals participated.



XPENG G9

EURO NCAP Rating: 5 Stars

C-NCAP⁵ Rating: 5 Stars (Comprehensive Score: 92.2%)

China Auto Health Index (C-AHI) : 5-Star Rating



XPENG G3

C-NCAP Rating: 5 Stars (Comprehensive Score: 92.2%)

C-IASI⁶: 3 indicators won China Insurance Automotive Safety Index G rating (excellent)



XPENG P7

EURO NCAP Rating: 5 Stars

C-NCAP Rating: 5 Stars (Comprehensive Score: 89.4%)



XPENG P5

C-IASI: 3 indicators won China Insurance Automotive Safety Index G rating (excellent)

China Auto Health Index (C-AHI) : 5-Star Rating

i-VISTA: 5-Star Rating



Note: 5. C-NCAP is the abbreviation of China-New Car Assessment Programme. C-NCAP conducts comprehensive safety performance testing of the cars, including passenger protection, pedestrian protection and active safety.

6. C-IASI is the "China Insurance Automotive Safety Index". The test items include crashworthiness and maintenance economy index, vehicle occupant safety index, pedestrian safety index outside the vehicle, vehicle auxiliary safety index, etc.

1.2 | Quality Service

With the mission of “in pursuit of customer-centric value creation, leveraging advanced technology to create a more convenient and pleasant mobility lifestyle,” XPENG upholds high-quality services as our cornerstone, and is committed to creating exquisite products and excellent service that satisfy customers through a wealth of service solutions and personalized service details.



ISO 27001

In 2023, the Company obtained ISO 27001 Information Security Management System Certification.

ISO 27701

In 2023, the Company obtained ISO 27701 Privacy Information Management System Certification.

7

Seven core systems passed the Level 3 Evaluation of the National Cybersecurity Level Protection.



01

Privacy risk screening

- We have integrated the principle of privacy protection into the Company's product development and system architecture while carrying out Data Protection Impact Assessment (DPIA) to identify and mitigate privacy risks before data processing. We have also launched the General Data Protection Regulation (GDPR) compliance program and released the "XPENG White Paper on GDPR".

02

Data collection procedures

- Following the principles of legality, legitimacy, and necessity, we explain to users the methods of collection, use, retention, and protection of all personal information through documents such as privacy policies, product/function descriptions, and service scenario guidelines. Before users register and use relevant product functions and/or service scenarios, we will clearly inform users and allow users to choose whether their data is to be collected, used, retained, and processed.
- We collect customer information mainly according to the purpose of product functions and/or service scenarios. Due to the large number of models and their product functions/service scenarios, the personal information that we collect, and processes may vary depending on different models, software versions or specific functions/service content. The actual situation of the functions/services used by customers shall prevail, and users are notified mainly through privacy policies and voice warnings.

03

Information security storage

- We comply with statutory requirements regarding where, how and for how long personal information shall be stored, and take appropriate encryption, de-identification and other technical measures for the storage of information.
- The internal use of data is subject to the minimum necessary rule, and must go through our security compliance review process to prevent risks associated with outbound data transfer and protect personal information rights.

04

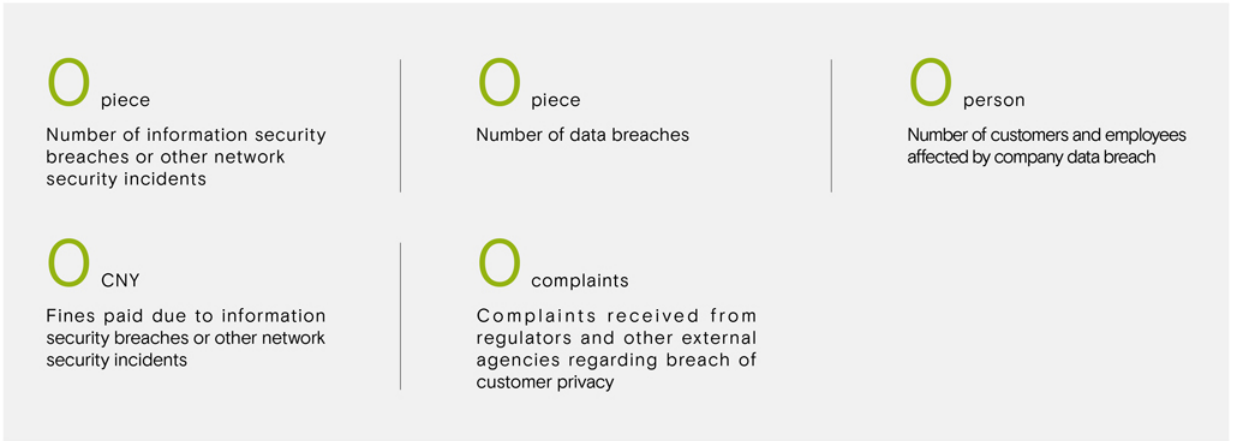
Information archiving and deletion

- Customers' personal information shall only be retained within the period necessary to achieve the purpose stated in the product functions and/or service scenarios and the period required by laws and regulations, unless otherwise stipulated by laws and regulations or authorized by the personal information entities. After the above storage period is exceeded, we will delete or anonymize the personal information of our customers.

05

Privacy protection training

- We actively promote the strengthening of information security and privacy compliance awareness, regularly conduct privacy protection training covering all employees, and establish public feedback channels. As an important part of the Company's data security governance work, we implemented a project for constructing an information leakage prevention system in 2023, and revised the confidentiality clauses of the "Employee Code of Conduct", adding penalty requirements for data leakage incidents, and completed information confidentiality training and exams for all employees.



| Customer Communication Channels |

XPENG places a high premium on active communications with its customers. The Company maintains open customer communications through a diverse range of channels. Our clients can contact us through various channels on all problems or needs, including through our 400 customer hotline, online customer service, XPENG's APP service group, enterprise WeChat service group and nationwide sales stores to make sure that customers' opinions and suggestions are responded to in a timely and effective manner.



| Responsible Marketing |

XPENG upholds the principle of integrity operations, and strictly abides by the Advertising Law of the People's Republic of China and other related laws and regulations, formulating internal policies on responsible marketing. We standardize our advertising messages and advertisement application and review processes, and ensure that products are not exaggerated or falsely advertised in the marketing process to protect consumer rights and interests.

XPENG +

01

Marketing training

We will continue to strengthen our responsible marketing practices, providing our sales team with compliance training. We will inform customers of all risks as well as the proper use of our products, and ensure fair marketing throughout the entire process of sales, delivery, and after-sales. Any related problems and questions are dealt with and answered in a timely manner.

02

Performance evaluation, incentive and punishment mechanism

We incorporate compliance marketing into the evaluation for sales commission as a key indicator. If there is any infringement, the sales commission for the month will be affected accordingly. For the person directly responsible for the infringement, different degrees of disciplinary punishment will be applied in accordance with the Employee Code of Conduct and other relevant rules and regulations. Furthermore, given the number and severity of violations occurred in a sales store on annual basis, the store managers will be held accountable accordingly.

03

Sustainable consumption

We provide green/eco lifestyle products, degradable goods and other eco-friendly products in our official online store; we encourage consumers to purchase as they need, and our sales staff is trained to recommend most suitable (non-expensive/highest margin) products according to user needs, and encourage customers to use privilege points for purchase to the greatest extent first, allowing rights and interests for our customers as much as possible.

1.2.2 | Providing Quality Service

XPENG is committed to providing a distinct smart experience for customers as it is at the core of the future mobility experience. To meet the needs of smart EV customers, we have tailored an improved service system with the aim to provide a better user experience. We have established a sales management platform to provide customers with comprehensive pre-sales and after-sales services in accordance with the "XPENG Measures for the Management of Its Commitments to Customers" and relevant directive procedures and standards. During the pre-sales stage, the sales operation department and the user development department are jointly responsible for formulating business strategies and planning sales networks and channels; while in the after-sales stage, the regional service departments focus on the formulation of after-sales service strategies and procedure standards. The platform also encompasses regional management across major regions in China to ensure effective pre-sales and after-sales service management at XPENG's sales and service network.

| Improving Customer Service |

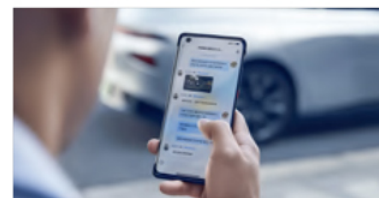
Led by a professional service strategy department, we design customer study and education content based on customers' commonly used functions, frequently asked questions, and customer behavior and preference shifts due to seasonal or cyclical effects. We provide richer customer care services to let customers learn how to use XPENG's products through more channels and to improve their recognition of our services.



We have established a unified operation mechanism to retain customers and gain reputation through a variety of servicing activities. We unite brand headquarters and regions to provide all-around customer care, including on-site maintenance, holiday gifts, etc., and designed localized service solutions within special timeframes. In 2023, the Company held over 300 customer servicing events, hosting more than 160,000 people.



Through channels such as the XPENG APP and Enterprise WeChat, the Company has equipped its stores with a dedicated "XPENG steward" online service team, integrating the online and offline service interface. Using our knowledge database, customer profile systems and remote diagnostic tools, our team is able to promptly answer and address customer questions. Simultaneously, we are able to provide efficient technical support through enabling timely customer communications with professional technical experts.



Building on our technology innovation, the Company provides full-chain intelligent maintenance service capabilities to quickly solve technical vehicular problems. We optimized our appointment process for maintenance services and improved service experience through large-screen reminders and one-click to get expert appointments. During in-store maintenance services, customers can authorize no-key maintenance services by one click. At the same time, the Company implements a paperless service process, and provides customers with service documents in a transparent, environmentally friendly and efficient manner.



| X-SERVICE: Smart and Fast Service for a More Pleasant Experience |

X-SERVICE is an online, easily accessible mobile smart service built for users based on the XPENG Intelligent Service Platform, and is committed to bringing XPENG owners excellent service experience which is significantly better than the traditional one.

XPENG 

01

Online | exclusive group service

Through an exclusive service group, the service partner meets the full-cycle service needs of users during the order, delivery and use of our cars.

02

Intelligent | Integrated smart diagnosis

An integrated solution to provide users with online pre-diagnosis and appointment services.

03

Mobile | one-hour distance to service

Using our intelligent service platform to trigger mobile services, we offer one-hour distance to service within the core urban area, to better meet the needs of car owners.



1.2.3 | Ensuring Customer's Safety

XPENG is dedicated to increasing user safety consciousness in driving with ADAS, and has launched the industry's first intelligent driving safety framework - "intelligent driving points", which is designed to guide car owners to follow the standards when using ADAS functions, to help car owners understand the safety boundaries of driving with ADAS, and to improve their safety consciousness. XPENG intelligent driving safety framework centers on "intelligent driving points" which encompasses education and assessment, including pre-entry training, admission assessment, and safety reminders in use, aiming to provide users with all-round safety protection during all stages of ADAS usage.

XPENG 

01 Safety Education

We launched online classroom on ADAS with courses covering ADAS basic information and knowledge, user manuals and other relevant content. It aims to improve user's safe driving skills through entry-level technological knowledge education, progressive technological knowledge learning, and user manuals, allowing driving become smarter, safer and more convenient.

02 "Intelligent Driving Points" Reminders

When it is occurred that a driver using ADAS to assist his/her driving doesn't engage in steering, or is predicted in fatigued driving with frequent lack of attention to road conditions and similar risks, the points system will deduct points to the extent of degrees of danger. Simultaneously, the system will prompt relevant safety reminders and corresponding learning content on safety to users, such as checking appropriate intelligent driving illustration graphs, reading safety instructions of functions, and participating in relevant safety behavior questionnaires to help users improve their consciousness and skills of safe driving.

03 "Intelligent Driving Points" Incentives

High-score drivers (referred to users intelligent driving score balance greater than 90 points) can gain privileges to enjoy priority in invitation to the beta tests of XPENG OTA in the future.

1.2.4 | Shaping the XPENG Owner Culture

XPENG has skillfully built out the "XPENG Owners Club" platform, dedicated to providing a warm and friendly communication space for our car owners. To further enrich the car owner's daily life with cars, we have organized a series of high-quality cultural activities for car owners, such as "X-MOMENT" and "X-walker." These initiatives not only help strengthen the interaction and connection between car owners, but also allow them to feel the unique charisma of XPENG in a relaxed and pleasant environment.

XPENG 

X-MOMENT: We create exclusive and high-end car owner activities for our premium customers, spreading XPENG's spirit of exploration.

[Case Study]: XPENG x Leica Akademie "The Most Aesthetic P7 Photography Contest"

In 2023, we joined hands with the Leica Akademie to launch the "The Most Aesthetic P7 Photography Contest". Simultaneously, we invited photography experts from the Leica Akademie to give lectures on filming and taking photos, as well as bring an expert-level photographic experience to XPENG Owners. More than 3,000 entries of high-quality P7 photos were received during the event.



X-walker: it is also known as XPENG owner volunteers, made up of loyal owners who highly identify with the XPENG brand, products and culture. We invited them to participate in special activities, such as public welfare events, auto shows and store marketing activities where we build closer ties between car owners and XPENG.



X-EXPLORER: It consists of enthusiastic and insightful XPENG owners who are early adopters of XPENG's new models, innovative software and premium products. They would communicate face-to-face with product managers and business unit leaders, and provide valuable feedbacks and suggestions for product design and iterative development.



1.2.5 | Improving Customer Satisfaction

XPENG strives to offer a higher-than-expected service experience. We strictly comply with the Law of the People's Republic of China on Protection of Consumer Rights and Interests and build out our customer satisfaction assessment system, consistently improving the customer satisfaction. We further develop customer satisfaction key performance indicators, and regard customer feedback as an important reference for subsequent work improvement. We continuously optimize product and service quality. XPENG's customer satisfaction rate reached 96% in 2023, meeting our targets. The Company conducted monthly NPS⁷ surveys with a focus on the possibility of making recommendations of XPENG products and services to others by customers. More importantly, we leverage the feedback gathered from these surveys for customer follow-ups in addition to improvement plans for relevant departments to enhance our owners' product and service experience. In 2023, the NPS average score increased 8% compared with 2022.

XPENG 

01 Previous goals review and new goals setting

We reviewed the achievements of previous goals to provide a reference for service experience improvement and goals setting for the current period, in order to better fulfill customer needs.

02 Multi-dimensional evaluation indicators

In order to have a comprehensive and objective understanding of customers' feedback to our services, we conducted a comprehensive study on three dimensions including service reception, service quality and service efficiency, and strive to provide customers with better service experiences.

03 Timely survey

After vehicle is delivered, the satisfaction survey is sent to customer to achieve a 100% delivery rate of survey, allowing us to secure customer feedback and suggestions in a timely manner.

| Indicator | 2020 | 2021 | 2022 | 2023 | 2023 Goals |
|---|------|------|------|------|---------------------|
| Percentage of satisfied respondents | 96% | 97% | 96% | 96% | 96% |
| Percentage of respondents to our survey | 31% | 47% | 33% | 35% | N/A ^{Note} |

Note: 7. Net promoter score, also known as word-of-mouth, is a metric used to measure the possibility of a user referring an enterprise or service to others. XPENG NPS survey began in April 2022.

N/A indicates the goal of respondents as a percentage of the total number of customers is unknown.



02

Sustainability Management, Creating a Low-Carbon Future

XPENG values green and sustainable development and carries out daily production and operations in an environmentally friendly manner. We continuously improve our environmental management framework, advocate green production and operations, proactively practice energy conservation and emission reduction, pay attention to the exploration and exploitation of clean energy, and comprehensively implement initiatives encompassing energy conservation, pollutant prevention and water resource protection.

41,071 MWh
Photovoltaic power generation.

1.5 million tonnes

Compared with traditional fuel vehicles, electric vehicles we delivered in 2023 can reduce greenhouse gas emissions by more than 1.5 million tonnes over their full lifecycles.

EXPLORER
OF FUTURE MOBILITY



[Feature story] Green Products Leading Green Mobility

XPENG upholds the concept of green manufacturing and integrates sustainable development across the entire life cycle of products, ensuring that products can meet customers' needs while also boasting low-carbon and environmentally-friendly advantages.

| Product Eco-friendly Label | C-GCAP |
|---|--|
| OEKO-TEX Standard 100 Materials used for the interior decoration of XPENG G6 and G9 have obtained | 5-star ratings for Occupant Health XPENG G9 received C-GCAP ⁸ |
| OEKO-TEX Standard 100 The cover materials used in the interior design of XPENG X9 model have obtained | 5-star ratings for Energy Efficiency XPENG G9 received C-GCAP |
| OEKO-TEX Leather Standard I The cover materials used in the interior design of XPENG X9 model have obtained | 5-star ratings for Low-Carbon XPENG G9 received C-GCAP |



Note: 8. C-GCAP, i.e. the China Green Car Assessment Programme, conducts test and evaluation on the green performance of vehicles from three dimensions of health, energy efficiency and low carbon, and conducts star ratings respectively.

2 | Green Packaging

In terms of packaging, the Company has discontinued the use of disposable packaging, promoting recycled packaging (such as European-standard plastic box, hoarding box, metal box, material pipe, etc.), and replaced the original wood frame packaging and disposable paper box packaging with turnaround frames that can be recycled. Where packaging lining is necessary, environmental-friendly and materials with a high recycled contents are used. For special parts, we use metal racks and parts separation to reduce the use of packaging materials. Currently, we have optimized the packaging of 138 parts, effectively reducing the consumption of packaging materials. At the same time, we also actively promote packaging improvement of suppliers. As of the end of 2023, a total of 43 suppliers participated in relevant activities.

XPENG 


| Parts Information | Packaging Optimization Measures |
|------------------------------|-----------------------------------|
| ● Powertrain bracket | ✔ Removed bubble wrap |
| ● Water cooling pump bracket | ✔ Removed protective packaging |
| ● Drive shaft assembly | ✔ Removed surface plastic bags |
| ● Heater bracket | ✔ Removed Styrofoam |
| ● Ambient Light | ✔ Removed plastic protective bags |

3 | Green Logistics

We continued to optimize the Company's transportation strategy, increasing the full load rate of transportation, adjusting the proportion of transportation by water and rail, and minimizing carbon emissions within our transportation. During the Reporting Period, we compiled the "Logistics Planning White Paper" and put forward a number of environmentally-friendly transportation requirements to further promote the green development of logistics.

XPENG 



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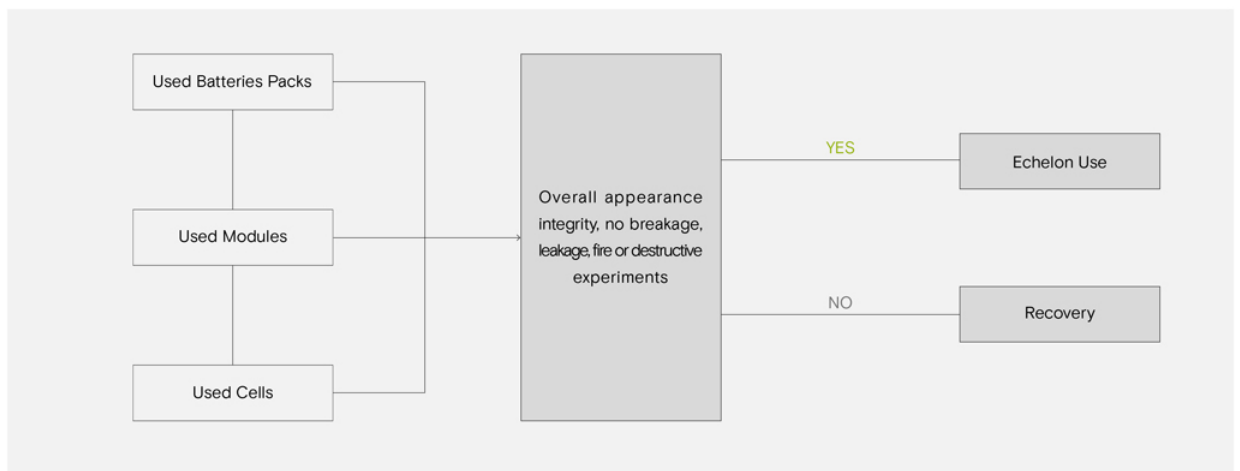
4 | Green Recycling

| Battery Recycling |

XPENG has established a whole-process management procedure for waste power battery recycling. For the end-of-life batteries generated by after-market sales/clients, consumers can send their vehicles to the after-sales service centers for professional diagnosis by XPENG's maintenance technicians. We will dismantle the batteries that meet end-of-life conditions, and hand over to qualified suppliers for recycling and reuse. During the Reporting Period, we iterated the overall recycling process, and identified details of the rights and responsibilities of each procedure.

XPENG's Zhaoqing plant plans to achieve cascade utilization of the Company's used batteries through the energy storage system in 2024, using the BMS that comes with the battery module, eliminating the need for disassembly and reorganization, achieving cascade utilization along with reduced costs and increased efficiency.

| Flow diagram of battery recycling process |



| Resource Recycling |

XPENG has launched an aluminum plate closed-loop recycling project. The project has developed aluminum plate closed-loop recycling technology. Through technology upgrades and transformations of the existing production line, 100% of the scrap aluminum plates of the production line is recovered and processed, and is developed into plates that meet performance requirements to be reused for automobile production. The project can reduce primary aluminum consumption by 40% and reduce carbon dioxide emissions by 700 kg per car in the production process of a single vehicle, making it the first demonstrative project in China to recycle and reuse aluminum plate in a closed-loop system.

2.1 | Climate Governance

Since 2021, by reference to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), XPENG has been managing climate change matters in four aspects, namely governance, strategy, risk management, metrics and targets, to improve our climate risk tackling capabilities and capitalize on climate development opportunities.

XPENG 

2.1.1 | Governance

We have established a sustainable development governance framework with the Board acting as the highest decision-making body. The Board has overall responsibility for the Company's sustainable development related matters and ensures that appropriate and effective ESG risk management and internal control systems are in place. We incorporate climate-related risks and opportunities that are closely related to the Company's operations into the scope of ESG management. For the responsibilities and task assignments across each management level, please refer to the section titled "Sustainability Management" in this report.



2.1.2 | Strategy

For XPENG, climate change poses various risks to our business, resulting in potential financial impacts. Simultaneously, climate change will also create opportunities for our development and promote the Company's low-carbon development. Based on industry and our own characteristics, we have identified a number of risks and opportunities related to climate change and are gradually improving our management strategy for future mitigation, adaptation and responses to climate change.

XPENG 



| Risk Category | Related potential climate change risks | Countermeasures |
|------------------|--|--|
| Regulatory Risks | <ul style="list-style-type: none"> As the world is increasingly valuing the risks brought by climate change and promoting the regulatory and disclosure requirements related to climate change, the Company will need to meet more compliance requirements when expanding its global business. | <ul style="list-style-type: none"> To identify physical risks and transition risks, and progressively improve management strategies for mitigating, adapting to and fighting against climate change. |
| | | <ul style="list-style-type: none"> Formulation of climate change mitigation strategies for target markets. |
| Technical Risks | <ul style="list-style-type: none"> A mega trend of transformation toward low-carbon economy has generated large needs for low-carbon production. We may face the pressure of equipment replacement in the short to medium term to adapt to emerging requirements related to new technologies and new processes. | <ul style="list-style-type: none"> To establish and improve the energy management system, implement online monitoring and analytic systems on energy consumption, and relentlessly pursue energy consumption reduction per unit vehicle, making continuous efforts in emission reduction. |
| | <ul style="list-style-type: none"> The increasing market popularity for low-carbon products will stimulate enterprises to develop lower-carbon technologies and products. Our investment in low-carbon R&D might increase. | <ul style="list-style-type: none"> In order to advance the carbon reduction of raw materials, we will promote the reuse or dismantling and recycling of materials, as well as the development and application of low-carbon alternative materials. |
| | | <ul style="list-style-type: none"> To use low-carbon and lightweight components. To establish carbon emission reduction example programs, develop and utilize clean energy sources, such as distributed photovoltaic power generation, and high-voltage, high-power fast charging. |

2.1.3 | Risk Management

The Company has incorporated climate change risks into its risk management routine, and reports to the Board of Directors on related matters. We continuously monitor the international society, national and industry trends, timely identify and update the major risks and opportunities related to the Company. Relevant departments assess the impact of each risk on the Company and classify those climate change risks into different categories in accordance with occurrence possibility and impact degree. The management develops plans to tackle risks with higher materiality and emergency degree and makes alerts internally and externally. For risk management framework and risk identification, assessment, and management processes, please refer to the section titled "Risk Control" within this report.

XPENG 

2.1.4 | Metrics and Targets

To systematically promote carbon neutrality and carbon peaking goals, and tackle climate change, we will gradually develop short-term, medium-term and long-term carbon reduction targets, formulate carbon reduction plans for Scope 1, 2 and 3 emissions, and continue to optimize carbon reduction measures to steadily improve the level of our climate governance. During the Reporting Period, we set a target of 10% reduction in power and natural gas consumption in our Zhaoqing manufacturing base compared to 2022, which has been successfully achieved as at the end of the Reporting Period.



2.2 | Green Production

XPENG commits itself to green production and sustainable development, and actively assumes environmental protection responsibilities. We strictly comply with the requirements of various laws and regulations of the countries and regions where we operate, continuously strengthening environmental management and green production practices. Across a full-spectrum of our business operations, we comprehensively reduce the impact of production and operational activities on the environment and reduce the discharge of various pollutants. In 2023, XPENG was included in the Green Manufacturing List by the Ministry of Industry and Information Technology of the People's Republic of China and was awarded as "National Green Supply Chain Management Enterprise".

XPENG 

2.2.1 | Environmental Management

XPENG continues to improve its environmental management system, determines various responsibilities of environmental management, and conducts day-to-day management on environmental protection, resource energy consumption, resource recycling, etc. and employee environmental awareness training.



| Green Low-Carbon Culture |

The Company attaches great importance to enhancing the environmental awareness of all employees and regularly carries out training activities on environmental protection. In 2023, we conducted 11 environmental training sessions covering hazardous waste management, hazardous chemical products management, eco-friendliness education and environmental factors identification with a total of over 1,100 participants.



XPENG

We implement the concepts of green, low-carbon and environmentally-friendly economies into our daily work, supporting our employees to start from small things around them to practice environmental protection concepts within the office.

| Energy saving | Conservation of resources |
|---|--|
| Turn off lights during lunch break, control lighting during non-working hours on weekends and working days. | Promote the use of recycled paper and double-sided printing. |
| Save electricity in meeting rooms and use smart meeting room booking systems to optimize usage of meeting rooms, reducing energy consumption caused by vacancies or invalid reservations. | Promote multiple initiatives to achieve paperless office in 2023. |
| Provide electric vehicles for employees to use for field work / commuting. | Set up electronic posters in public areas to reduce paper consumption. |
| Use energy-saving products. | Promote dining in restaurants to reduce the waste of resources caused by food packaging. |
| Encourage employees to travel through public transportation and provide employees with commuter shuttles. | Provide reusable stationery. |
| | Resource recycling, setting up categorized waste disposal bins and environmentally friendly recycling cartons. |
| | Prioritize the purchase of office equipment and furniture made from environmentally friendly, energy-saving and renewable materials. |

| Ecosystem Protection |

XPENG attaches great importance to the protection of biodiversity and strictly manages all possible impacts on biodiversity during production and operations. Prior to project construction and operations, we engage qualified third parties to conduct ecological impact assessments (in terms of biodiversity, living areas, etc.), comprehensively identify ecological risks and environmental impacts that the project may face during construction and operation, and formulate necessary solutions and protection plans.

2.2.2 | Energy Management

XPENG strictly manages energy consumption in production, implements various measures to improve energy efficiency, reduces energy consumption and promotes the use of clean energy.

XPENG 

| Energy Conservation |

XPENG strictly abides by relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China and continuously optimizes its own energy management. Each manufacturing plant has formulated an energy management system to standardize procedures such as energy procurement, measurement and usage management, data statistics management and energy-saving transformation, so as to enhance the effectiveness and efficiency of energy utilization, and promote the Company's sustainable development. In 2024, XPENG will continue to practice energy conservation and emission reduction with the target of lowering energy consumption by 10% per unit vehicle.

| Guangzhou Plant | Zhaoqing Plant |
|---|---|
| Through independent maintenance of compressed air during non-production stages, energy saving measures in water cooling systems, loss reduction in air conditioning cooling, and energy saving improvements in deodorizing fans in sewage stations, energy efficiency is improved, promoting energy conservation. | Through measures such as planned power cuts of factory machinery during holidays, intermittent operations of the air-conditioning in the coating workshops, switching off of the main air valve of the non-suppressed air in the factory department after the shift, and reducing the use of water pumps in the coating workshops, the Company saved 2,360 MWh of electricity, equivalent to a reduction of 1,243 tonnes of carbon dioxide emissions. |

| Clean Energy |

Continuously expanding the proportion of clean energy usage in its operations is XPENG's main strategy for green development. The Company's Zhaoqing plant has completed the construction and operation of the first phase of photovoltaic power generation project in 2021. In 2024, we plan to retrofit the first phase of Zhaoqing's photovoltaic project to increase the photovoltaic consumption rate, and begin the construction of the second phase of photovoltaic power generation to increase green energy consumption.

| Guangzhou Plant | Zhaoqing Plant |
|---|--|
| The Guangzhou plant cooperated with photovoltaic investors to establish photovoltaic power generation projects, which were built for self-use, and any residual power generated is directed towards the regional power grid. By the end of 2023, the cumulative power generation was 18,270 MWh, of which self-consumption was about 13,100 MWh, accounting for more than 40% of the total power consumption of the plant; the remaining 5,170 MWh of solar energy is sent to the regional power grid to reduce carbon emissions of the area. | The distributed photovoltaic (PV) project (Phase I) at the Company's Zhaoqing plant officially commenced grid-connected power generation in November 2021. The installed capacity of the Phase I project reached 20.74 MW, adopting the mode of "self-generated and self-used, and connecting residual power to the grid". By the end of 2023, the Phase I solar project in the Zhaoqing plant has generated 22,800 MWh of electricity, of which 10,900 MWh of solar electricity was self-consumed (electricity used for production in workshops and composite buildings) and a carbon dioxide reduction of 10.5 million tonnes. |

2.2.3 | Water Resources Management

XPENG attaches great importance to water resource management, strictly manages wastewater discharge, reduces pollutants in wastewater, and avoids adverse effects on water resources.

XPENG 

| Wastewater Management |

XPENG has formulated the Water Pollution Prevention and Control Management System to strictly manage wastewater and ensure that any wastewater discharged meets standards. We set up independent sewage treatment stations in the manufacturing plants to ensure that the quality of wastewater meets the requirements of the "Discharge limits of water pollutants" (DB44/26-2001) of Guangdong Province.

| Production Wastewater | Domestic Sewage |
|---|---|
| In the coating workshops, the Company has adopted zincronization for conversion coating, which can avoid the discharge of heavy metal wastewater and effectively protect water resources. | Sewage from the canteen is set up with oil separation tanks and retention tanks, removing any deposited food residue, and direct discharge into sewage pipes are prohibited. |
| All sewage discharge goes through a sedimentation tank and restricted maintenance areas, which is then discharged into the designated sewage pipelines. | Bathing sewage is discharged into sedimentation tanks for retention, in order to prevent any solid waste such as rags or plastic bags from being discharged into sewage pipes. |
| Water drains are equipped with filters to regularly collect and remove oils. | A three-stage filtration system is implemented for sewage discharge from toilets, which is discharged according to the designated sewage pipes. Septic tanks are also regularly maintained. |



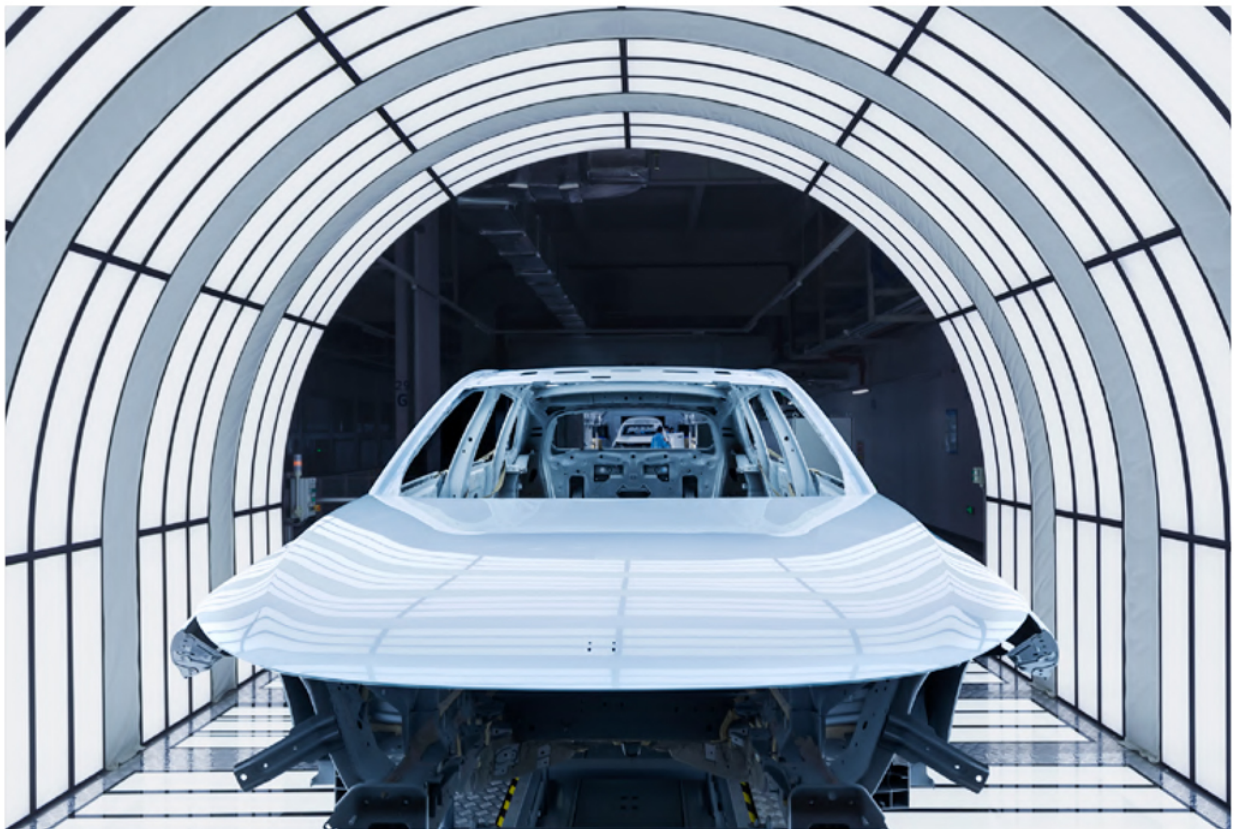
2.2.4 | Pollutants Management

| Air Pollutants Management |

XPENG strictly manages any gaseous emissions generated during production and operation cycles. The Company formulated the Prevention and Control of Atmospheric Pollution Management System and other systems, and strictly takes targeted measures to ensure that gaseous emissions meet discharge standards, avoiding negative effects on the environment.

For dust and volatile organic compounds (VOCs) generated during the production process, we regularly inspect the replacement of activated carbon, as well as the effectiveness of dust control fans. We prioritize technologies and equipment that do not generate pollution or relatively low pollution towards the environment, as well as raw and auxiliary materials with zero/low toxic and low VOCs content to minimize the generation and discharge of such pollutants.

XPENG 



| Waste Management |

In compliance with relevant laws and regulations, we have established a comprehensive waste management system and formulated internal management systems such as the Solid Waste Pollution Prevention and Control Management System and the Hazardous Waste Management Procedures to manage and control waste through classification, transportation and removal. During the Reporting Period, the Company's Safety and Environmental Protection Department organized an important hazard assessment of our hazardous waste storage warehouse, analyzed and identified potential environmental and safety risks, and carried out emergency drills for solvents leakage accidents to improve the ability to respond to sudden waste pollution and safety incidents.

XPENG 

Waste management measures

● Storage placement

- ✔ Set up a solid waste storage room to classify, recycle and process metal scraps, waste packaging materials, hazardous waste, domestic waste, etc., with daily cleanup.
- ✔ The storage site is treated with cement hardening and anti-seepage treatments, and ground leakage collection trenches are installed to avoid environmental pollution accidents.
- ✔ The storage site is equipped with dry powder fire extinguishing systems, combustible gas monitoring systems, central air conditioning, electrostatic discharge devices and other safety measures to effectively avoid environmental pollution incidents.

● Transition processing

- ✔ Signed a waste disposal contract with a qualified third-party unit and conduct waste transition and treatment in accordance with the "Measures for the Management of Hazardous Waste Transfer".
- ✔ All hazardous waste entering the warehouse is weighed, recorded, and dealt with in a suitable manner.
- ✔ Establishing a solid waste management system, keeping track of waste disposed, and entrusting a qualified third party to handle the waste, ensuring that the waste is properly disposed of.

● Hazardous waste reduction

- ✔ Reducing the generation of hazardous waste by increasing the glue coating pressure plate to reduce glue residue, adding lining within the glue barrel, and reducing the use of solvents (particularly reducing the frequency of varnish cleaning and increasing the ratio of water-based solvents).

At the beginning of every year, we formulate a waste management plan to clarify the total amount of waste produced and unit production targets, and conduct monthly analysis and improvements. In 2023, our target of 2% reduction in waste organic solvents production has been successfully achieved, and the actual production volume decreased by 3%. The Company recycled 3,225.97 tonnes of waste throughout the year. The Guangzhou plant has achieved the recycling of all industrial solid waste, such as industrial scrap steel plates and waste cardboard. In the future, we aim to continue to reduce waste discharge density through non-hazardous treatments and resource management processes.

><

03

Compliance Management, Creating a Solid Foundation for Development

XPENG has consistently improved its internal management system, continuously identifying and controlling internal risks, as it adheres to relevant business ethics at all times. In our efforts to propel compliance management, we will continue to strengthen supervision and training systems, enhance compliance awareness, and persist in being honest, authentic, transparent and responsible in our business practices, driving the sustainable development of the Company and contributing to the harmony and stability of our society.

15,880 hours

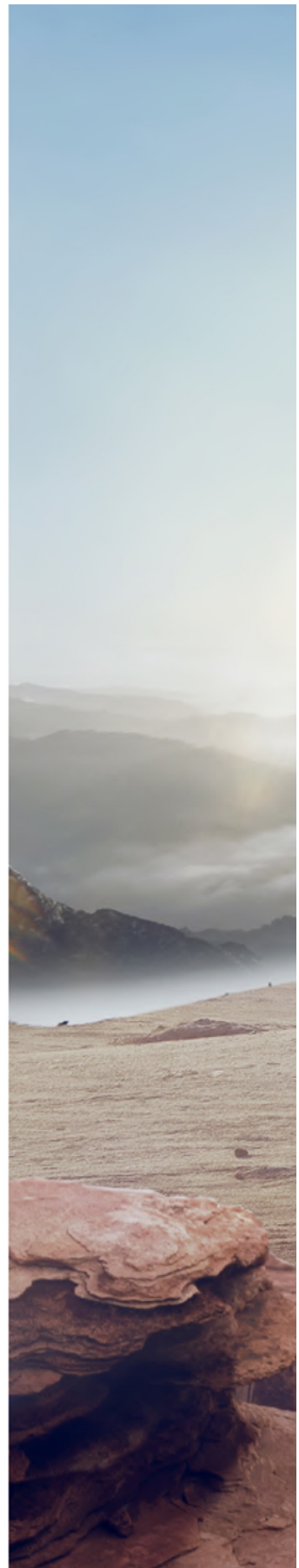
Over 15,880 hours of anti-corruption training hours

36 sessions

Compliance awareness training sessions covering all employees

EXPLORER
OF FUTURE MOBILITY

ENVIRONMENTAL · SOCIAL · GOVERNANCE



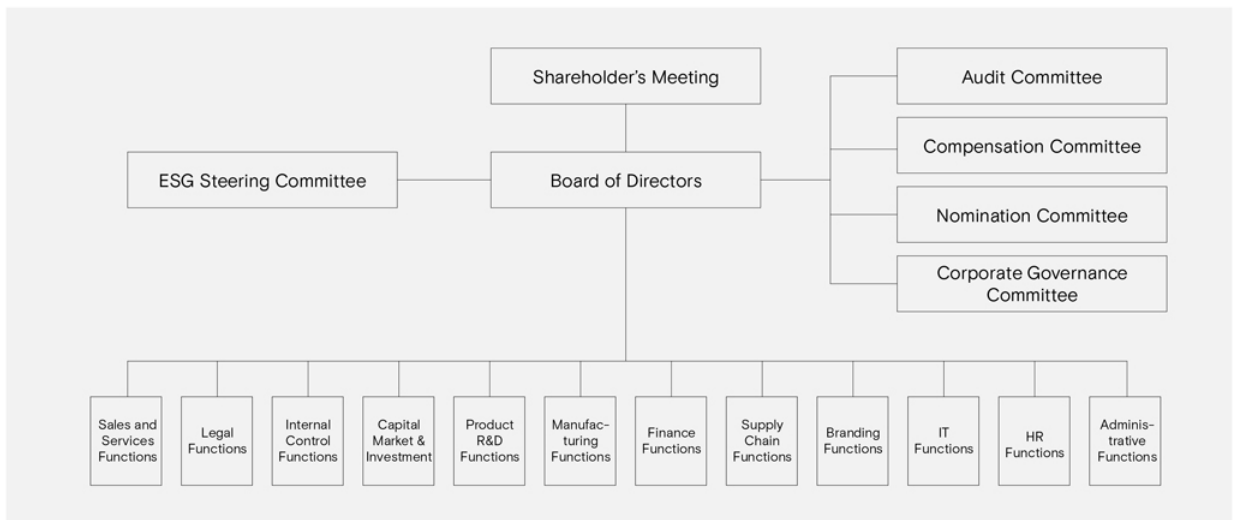
3.1 | Compliant Operations

XPENG strictly follows the Company Law of the People's Republic of China, the New York Stock Exchange Listed Company Manual, the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, and other laws, regulations, and guidelines. We continuously strive to build up a scientific, orderly and dynamic sustainable development governance system and strengthen corporate governance.

XPENG 

3.1.1 | Corporate Governance Structure

XPENG continues its efforts to improve its corporate governance structure by closely following the latest regulatory requirements. The General Meeting of Shareholders acts as the Company's highest decision-making body, which exercise its decision-making rights on the Company's material matters such as business strategies and policies, financing, investment and profit distribution in accordance with relevant laws and regulations, as well as the Company's Articles of Association. The Board is accountable to the General Meeting of Shareholders and exercises the rights of overseeing and managing the Company's development strategies and business operations in accordance with relevant laws and regulations. Furthermore, the Board is responsible for decision-making on operating principles and investment plans, supervision and advisory for management to develop and fine-tune policies and procedures, strengthening decision-making mechanisms, standardizing operational processes, implementing stringent approval processes, building and enhancing a modern and effective organizational structure, and improving efficiency and effectiveness of investment decisions. In order to improve its work efficiency, the Board has established four professional committees, namely the Audit Committee, the Compensation Committee, the Nomination Committee and the Corporate Governance Committee.



3.1.2 | Compliance Management

XPENG believes that operating a business with ethical and legal responsibilities is the premise for sustainable business development. To put the Company's core values and action guidelines into practice, we comply with applicable laws and regulations in different jurisdictions, and continuously improve our compliance management systems in reference to international standards and initiatives, ensuring the compliance of the Company's organizational structure and decision-making mechanism.

XPENG 

| Compliance Training |

The Company enhanced the compliance awareness of internal employees by conducting compliance training. Since June 2023, the Legal Department of the Company has been holding "information confidentiality" themed training sessions requiring all employees' attendance. By the end of 2023, a total of 6 episodes of online knowledge feeds and 23 tailored training sessions were delivered and made accessible to all employees, gaining positive feedback and support.

36 sessions

Number of compliance awareness training sessions for all employees

23 sessions

Number of training sessions on compliance requirements tailored for specific departments and countries (European)



3.1.3 | Responsibilities of the Board

The Board performs regular assessments on the effectiveness of the Company's internal controls in compliance with relevant listing rules and requirements and applicable laws and regulations in order to protect the rights and interests of its shareholders. The Company's senior management is responsible for the Company's production, business operations and overall management, which includes leading the execution of Board resolutions, establishing annual plans and investment projects, formulating specific corporate rules and policies, and performing other authorities and responsibilities granted by the Company's Articles of Association or the Board. In order to carry out routine business operations in an orderly manner, the Company has established a set of policies, systems, and guidelines covering R&D, procurement, production, sales, human resources, finance, etc.

XPENG 

| Independence of the Board |

As of the date of this report, the Company's Board consisted of six members, three of whom were Independent Non-Executive Directors (INEDs), accounting for 50% of the total. The Company complies with the independence requirements set out in the Listing Rules of the Stock Exchange of Hong Kong, and regularly sends a confirmation letter of independence to each of the INEDs after the fiscal year-end date of 31st December in accordance with Rule 3.13 of the Listing Rules of the Stock Exchange of Hong Kong. Each of the INEDs of the Company shall reply with the confirmation on his/her independence as required in the confirmation letter of independence. The Company will then disclose the independence confirmation of the INEDs in the annual report. In 2023, the Company convened seven Board meetings and the attendance rate of all Directors who should have attended the meetings reached 100%.

| Board Diversity |

The Company has applied the Nomination Policy for Directors and the Board Diversity Policy. Various factors are taken into considerations including industry experience, professional background and education background during nomination and appointment of Directors, so as to satisfy the diversified skills and experience required for the development of various businesses. Increasing the proportion of women on the Board is also under active consideration. As of the date of this report, the Board consists of one female Director. The industry experience of Directors includes internet technology and services, smart automotive research and development and manufacturing, strategic investment, etc. More specifically, two INEDs have experience in the consumer industry, three INEDs and one Non-Executive Director have corporate governance experience with risk management businesses. At the same time, the Company continuously evaluates and monitors any room for improving Board diversity to enhance its level of corporate governance.

3.2 | Risk Control

The Company refers to the internal control framework of the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) and the Sarbanes-Oxley Act Section 404 to establish our corporate-level risk management framework and related risk management policies to comprehensively manage operational risks. The Company established a series of processes including risk identification, risk assessment, risk response, problem-solving, debriefing review, follow-up control and checks to manage various risks, realizing closed-loop risk management.

The Board is the highest authority and decision-making body for the Company's risk management. As of the date of this report, within the Board, three Independent Non-Executive Directors and one Non-Executive Director had risk management expertise. Additionally, one Non-Executive Director and two Independent Non-Executive Directors constitute the Audit Committee of the Company so as to ensure that risk management is performed independently of the business operations. Moreover, we have established financial incentives for senior executives, direct managers, and others involved according to risk management indicators, and strengthen the implementation of risk management measures.

XPENG 

3.2.1 | Risk Identification and Assessment

In 2023, the Company identified major risks such as R&D risk, market competition risk and capital risk based on national policies and market environment changes, its own operations and the concerns of various stakeholders. The Company conducts scenario analysis, sensitivity analysis and stress tests on financials and businesses with significant risks, evaluates the possible financial and business impacts under general, most unfavorable and best-case scenarios, as well as conducts risk prevention and risk management assessments and formulates alternative plans. At the same time, XPENG timely identifies possible internal and external risks and regularly reflects and improves the Company's risk management model and internal control processes.

XPENG establishes a long-term financial model, predicts possible future financial situations, and conducts sensitivity tests on major business assumptions/risks, market assumptions/risks, and financial assumptions/risks, analyzing their impact on the business, including but not limited to product sales volume, raw material costs, number of stores and charging stations, risk-free interest rates, loan interest rates, exchange rate risks, industry competition and talent market competition.



3.2.2 | Risk Management and Monitoring

The Company attaches great importance to the effectiveness of corporate risk management and internal control. The Board is responsible for establishing and maintaining the Company's sound and effective risk management and internal control systems. On behalf of the Board, the Audit Committee audits the development, implementation and supervision of risk management and internal control systems on a quarterly basis and determines the effectiveness of the risk management and internal control systems on an annual basis. The Company conducts internal control management audits and special audits on a quarterly basis, covering all businesses such as sales, supply chain management and R&D. Based on the risk assessment of the business and the reported indicators, the Company formulates audit plans and conducts relevant inspections. The Company also formulates rectification measures and follows up on the completion of rectification for any risks and control deficiencies identified, so as to ensure the effective operations of the internal risk management system. In 2023, all business operations were internally audited for risk.

To ensure the effectiveness of the risk management and internal control systems, the Company established an internal control model based on "three lines of defense:"

XPENG +

01

The first line of defense

The first line of defense is mainly composed of the Company's business and functional departments in charge of daily operations and management. These departments design and implement relevant control measures and risk responses.



02

The second line of defense

The second line of defense is mainly composed of finance, internal control, legal, Quality and Safety Management Center departments, among others. Their key responsibilities are to assist the first line of defense in establishing and improving the risk management and internal control systems, as well as to oversee and ensure its effectiveness.



03

The third line of defense

The third line of defense is mainly composed of the audit team and the supervision team within the internal control department. The audit team regularly carries out independent evaluations to ensure the effectiveness of the Company's risk management and internal control system. In order to ensure its independence, the audit team reports directly to the Audit Committee. The supervision team regularly assists management in promoting integrity and ethical values to all employees, as well as handling any reports of corruption.



3.3 | Business Ethics

XPENG has a zero-tolerance approach to any form of corruption in conducting business. The Company strictly complies with such laws and regulations as the Anti-Money Laundering Law of the People's Republic of China, the Supervision Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. The Company also formulates a series of internal systems including the Employee Code of Conduct, the Code of Integrity and the Administrative Measures of Conflict of Interests, specifying the Company's anti-corruption and sanctions policies and emphasizing its code of business conduct and ethics.

The Company has adopted strict control measures to clearly define the behavior of corruption and bribery, such as bribery, kickbacks, improper benefits, money laundering, etc. In addition, the Company's system specifies the working rules and discipline of employees and incorporates compliance behavior of employees into their performance reviews. We carry out business ethics-related audit work, accurately identifying and preventing internal business ethics risks, and ensuring the legality, transparency and integrity of the Company's business activities.

The Company incorporates integrity statements and confidentiality clauses into agreements with third-party partners and requires suppliers to sign an Integrity Commitment Letter upon their bid submission. Meanwhile, we include integrity-related clauses into contracts to be signed with suppliers. We immediately stop cooperation with any suppliers that violate the Company's integrity standards and pursue legal remedies for infringement. In 2023, 100% of our suppliers signed the Integrity Commitment Letter.

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Creating Value and Contributing to Unified Development

XPENG firmly believes that talent is the cornerstone of sustainable development. It strives to build a high-quality professional talent team and continuously improve the Company's talent management model. The Company protects the legal rights and interests of all employees, protects employees' private information from infringement, and strives to build a healthy and safe working environment, comprehensively caring for employees' work and personal life. At the same time, we continue to build a responsible supply chain, actively performing our social responsibilities, and coordinating the sustainable development of all parties.

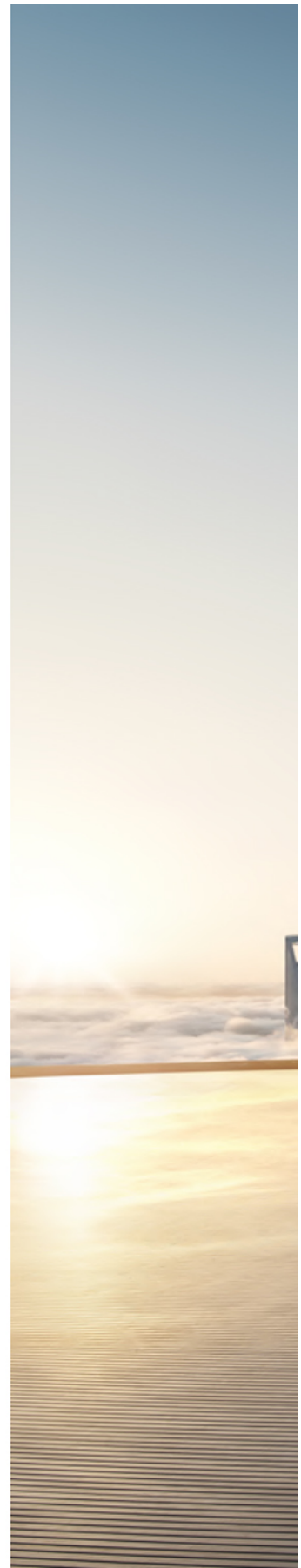
5 Awards
Won 5 Employee-related Awards

100%
100% signing rate of the Supplier Integrity Commitment Letter

12.8 million CNY
Donated 12.8 million CNY to XPENG Public Welfare Foundation

EXPLORER
OF FUTURE MOBILITY

ENVIRONMENTAL · SOCIAL · GOVERNANCE



4.1 | Employee Health and Development

Employees are XPENG's most valuable asset. The Company adheres to the principle of being people-oriented, protecting the basic rights and interests of employees in accordance with the law. The Company contributes to the growth and development of employees, implements diversified care, and continuously improves the sense of achievement and happiness of its employees.

4.1.1 | Employee Rights Protection

XPENG is committed to promoting and protecting the basic rights of employees, strictly complying with Social Accountability 8000, the Global Sullivan Principles, the UN Guiding Principles on Business and Human Rights and other domestic and international standards and commitments. The Company complies with labor regulations, conducting due diligence processes for human rights and interests, and has established a comprehensive employee protection system to protect the basic rights and interests of employees, promoting the sustainable and healthy development of the Company.

| Labor Rights Due Diligence Process |

XPENG 

01 Risk identification

In-depth analysis and assessment of potential human rights and risks, including legal employment, timely payment of labor remuneration, employees' working hours, working environment, etc.

02 Preventive measures

Formulated the Employee Code of Conduct V2.2 and the XPENG Anti-harassment System to ensure that employees are treated fairly and reasonably.

03 Supervision and detection

Through regular inspection and evaluation of employees' rights, and timely collection of employees' feedback and suggestions, we continuously improve the existing system, such as by understanding employees' problems through a monthly psychological consultation report of the EAP program, and establishing a long-term medical leave ledger to pay attention to employees' health problems.

04 Impact mitigation

Established employee complaint channels and set up a special complaint handling team to ensure the effective implementation of human rights management, reducing risk impact.

| Equal Opportunities |

The Company complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, and implements the Recruitment Management Rules and Regulations. In the process of recruitment, entry, training, promotion and compensation, discrimination on the grounds of gender, age, race, nationality, religion or other social and personal factors is prohibited. In accordance with the law, the Company offers equal job opportunities to all employees and candidates.

The Company provides work opportunities for the disabled based on actual conditions. In 2023, we hired a total of 89 disabled employees, and require suppliers and partners to abide by the laws, regulations and provisions with respect to equal employment.

XPENG is committed to building a diverse, inclusive, and equal working environment. The Company encourages and respects diversity of talent and culture, and provides anti-discrimination and anti-harassment training for all employees. Through associated complaint procedures, all employees can report anti-workplace discrimination, harassment and insult. If claims are substantiated, offenders will be subject to disciplinary action or dismissal to fully protect the rights and interests of impacted employees.

XPENG strictly abides by overseas local employment compliance requirements and has formulated the Recruitment Regulations Xpeng for Overseas. The Company signs labor contracts with overseas employees in accordance with the laws and regulations of the places where the Company operates, ensuring that contract content meets all relevant regulatory standards. Meanwhile, we actively provide local legal benefits, including but not limited to social insurance, to protect employees' rights and interests. On the basis of recognizing and respecting local culture, we also provide local statutory holidays in line with statutory standards to promote work-life balance for employees.

XPENG strives to improve our employer branding through campus recruitment and has obtained unanimous recognition from college students through campus talks, online presentations and fireside chats. In the future, we will deepen our joint talent training program with universities to ensure that more outstanding students are recruited and provided with career guidance and discussion on R&D topics to build a comprehensive employer brand.

The Company launches human resources planning every year in November. Based on the business planning of each department and the budget needs of the Company, we adopt various methods, such as the labor efficiency post-determination method and business process analysis method to formulate our human resources planning framework for the next year. The plan sets the foundation for recruitment and provides guidance for reasonable allocation of human resources and support for smooth business development. We actively build our talent pool and conduct human resources analysis every year to meet the talent needs of various business lines of the Company. At the same time, for employees who are not suitable for their current positions, we provide internal transfer opportunities to better match employees' skills with the Company's needs.



| Indicator | Unit | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|
| Total number of employees | Person | 13,978 | 15,829 | 13,550 |
| Number of part-time/internship employees | Person | 1,166 | 802 | 817 |
| Number of new employees | Person | 8,894 | 7,910 | 3,795 |
| Number of employees with disabilities ⁹ | Person | 50 | 114 | 185 |

| Proportion of employees by gender | Unit | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|------|
| Male employees | % | 79.0 | 80.4 | 80.4 |
| Female employees | % | 20.2 | 19.4 | 18.1 |
| Undisclosed | % | 0.8 | 0.2 | 1.5 |

| Proportion of employees by employment rank | Unit | 2021 | 2022 | 2023 |
|--|------|------|------|------|
| Senior management | % | 0.2 | 0.1 | 0.1 |
| Middle management | % | 10.2 | 9.0 | 9.5 |
| Ordinary employees | % | 89.6 | 90.9 | 90.4 |

| Proportion of employees by age | Unit | 2021 | 2022 | 2023 |
|--------------------------------|------|------|------|------|
| 29 years old and below | % | 45.7 | 46.6 | 39.9 |
| 30-49 years old | % | 52.1 | 51.3 | 58.0 |
| 50 years old and above | % | 0.3 | 0.3 | 0.2 |
| Undisclosed | % | 1.9 | 1.8 | 1.9 |

| Proportion of employees by region | Unit | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|------|
| Chinese mainland | % | 97.8 | 98.5 | 97.9 |
| Hong Kong, Macao and Taiwan | % | 0.1 | 0.2 | 0.2 |
| Other regions | % | 2.1 | 1.3 | 1.9 |

Note: 9. This refers to the total number of employees with disabilities.

| Labor Compliance |

XPENG adheres to international guidelines on human rights during its global business operations, including the Universal Declaration of Human Rights, the Guiding Principles for Business and Human Rights, the International Labor Standards of the International Labor Organization and the self-governing principles on security and human rights. We are strongly committed to recognizing human rights issues, respecting the culture, customs and language of all regions of the world, and strive to coordinate with communities of all countries when carrying out business activities.

XPENG strictly prohibits any operational units and partners from child labor and forced labor. We insist labor contracts be signed by all regular employees, as well as intern and temporary workers. All personnel applying for Company positions must complete relevant procedures with their identification documents to ensure that they meet the legal working age and requirements. At the same time, the Company verifies the compliance of employment and follows up on and investigates any suspected child, forced or compulsory labor, taking effective measures to prevent similar incidents in the future. If any child labor or forced labor is found, we will immediately terminate the employment relationship and handle it in accordance with the law.

In order to strengthen human rights protection, we conduct regular human rights risk assessments covering all employees of the Company and its subsidiaries, and incorporate the human resources review process into the risk management process to verify employment compliance. Since the establishment of the Company, we have not violated the employment laws, regulations or relevant guidelines of the places where we operate, nor have we experienced any incidents of child, forced or compulsory labor.

XPENG 

| HR Review Process |

01

Step 1

According to the Standard Interview Process for Social Recruitment, recruiters check the basic information of personnel, their employment status, and whether they have prior identified prohibition of business strife.

02

Step 2

During the interview process, HR interviews are conducted and a comprehensive determination of the candidate's experience and ability is made based on the "Community Recruitment Position, Salary and Offer Approval."

03

Step 3

The offer a certain employe requireme

XPENG updated its the Employee Code of Conduct in 2023, with particular regard to compliance-related matters. The new Code of Conduct explicitly prohibits the employment of child labor, and explicitly prohibits the use of any product or service provided by any enterprise involved with child labor. The Company will not force employees to work against their will under any circumstances. In addition, the Company is firmly opposed to human trafficking and does not tolerate any form of corporal punishment, physical assault, verbal threats, etc. to enforce work discipline and control employees.

To safeguard the legal rights and interests of the Company and its employees, and to ensure open communication between employees and Company management, XPENG encourages employees to make complaints in a reasonable and timely manner through complaint channels. In 2023, we received no employee complaints regarding discrimination, harassment, fraud or human rights issues.

| Employee Benefits |

The Company has formulated a Salary Management System to ensure that employees enjoy a competitive remuneration and diversified welfare system in the global market, with clearly defined salary composition, stock policies, tax regulations and welfare management in different countries to improve employees' satisfaction and provide them with comprehensive benefits.

We provide employees with a variety of remuneration and benefits, including basic salary, annual promotions, salary adjustments, year-end bonuses and shares. As of 2023, the average salary range of the Company's male and female employees was approximately equal. In addition, we provide interns and dispatched employees with competitive salaries, including salary incentives, performance bonuses and a series of non-salary benefits that reflect the value and care XPENG places on all of its employees.



| Democratic Management |

Valid suggestions of improvement or opinions can help the Company improve its operations and management. We pay attention to employees' opinions and have established online and offline communication and feedback channels for employees to strengthen communication, improving their work experience. In 2023, we launched the "Hulk Feedback Platform" to provide all employees with channels for anonymous feedback and opinion collection, carrying out regular rectification based on the collected opinions.

| Employee communication and feedback channels | |
|--|--|
| Offline means of communication | 1-to-1 communication platform: 30' Listening |
| Online means of communication | Letters to all staff |
| | "XPENG people" WeChat official account |
| | "XPENG's Words" Feishu subscription |
| | Hulk Feedback Platform |

XPENG 

| Employee Privacy Protection |

The Company attaches great importance to protecting the privacy of its employees. The Company specifies the management requirements for confidentiality in the Measures for the Administration of Data Information Disclosure, and takes severe disciplinary actions against any identified leaks. We have set up a standardized approval process for the use of employee data to protect employee data from abuse and misuse by controlling data confidentiality classification and carrying out approval with business, legal affairs and human resources departments. In addition, we have built a comprehensive data management and control system across five primary aspects: data classification and grading, data grading control measures, data authorization and approval matrix, data de-labeling principles, and data retention and expiration processing methods. In 2023, the Company released the Information Security Confidentiality Management System and Data Compliance Management Procedures, which listed employees' salary and social security information, employees' human resources information and employees' personal files as confidential information. Information involving employees' private information is not allowed to be externally released without authorization and approval, so as to prevent any form of information leakage.

In addition, before collecting personal information from employees for signing contracts, the Company will convey the XPENG Personal Privacy Policy to parties involved, and adopt measures to separate and preserve the personal information of employees both within and outside Chinese borders. Employees' personal information is stored in the People's Republic of China. If cross-border transmission is required, XPENG will seek separate authorization from employees or implement measures such as data de-labeling before any cross-border transfer. In accordance with the requirements of laws and regulations, the Company may provide relevant guidelines or paths for employees to access, copy, correct, supplement, transfer and request to delete their personal information. At the same time, the Company only retains employees' personal information within the period necessary for the purpose stated in the privacy policy. After the storage period of the above personal information is expired, the Company will delete or anonymize employees' personal information to fully protect employees' privacy and security.

The Company did not receive any penalties for violating personal information protection regulations in 2023.

4.1.2 | Supporting Employee Development

XPENG focuses on being “growth-oriented,” providing all employees with diversified career development opportunities. We continue to empower employees, and focus on and promote the core competitiveness, innovation and reform power for the Company’s sustainable development.

| Performance Incentives |

Based on the “Performance Management System,” XPENG has established the OKR management system. Additionally, in view of the scientific nature of the performance review, XPENG has conducted repeated optimizations of the entire performance management process, as well as the introduction of new assessment pilots for certain positions. We review employees’ individual performances across three main aspects: employees’ past growth, peer performance benchmarking and work improvement. We stress that the management’s performance evaluation should cover three dimensions, namely team performance, team management and employees’ personal growth. The Company performs regular assessments and uses assessment results as performance appraisals. Meanwhile, the Company conducts annual salary reviews for employees’ combined income of cash and stock. The assessment results are directly linked to annual general salary reviews, annual promotions and year-end bonus distributions, among other aspects. A share incentive plan is also implemented to align the interests of shareholders and management and to effectively motivate employees.

In 2023, in order to stimulate employees’ innovation and service enthusiasm, we set up the following awards for all employees:

XPENG 

01 Innovation Achievement Award

Based on “customers’ awareness” and “improvement in operational efficiency,” the award has been given to 34 key innovation projects. In addition, after considering more than 400 ratings from internal car owners on an anonymous basis, we selected the TOP10 most popular innovation projects among internal car owners.

02 Annual Outstanding Individual Award

The award mainly targets outstanding talent highlighting top performers in R&D innovation, customer service and business management.

03 Annual Golden Brain Proposal

The award was established at the “1024 Technology Day” to collect outstanding and creative ideas from XPENG car owners and all employees, allocating internal experts to empower and incubate the selected TOP10 most popular proposals.

| Professional Skills Certification |

In 2023, XPENG continued to optimize the training for skilled personnel, standardizing the preparation and implementation of various tasks such as policy assistance, online enrollment and organizational training, and conducted qualification assessments for technicians this year. Based on the work content and requirements of the Company, we examined the candidates' work performance, professional skills, innovative thinking and other capabilities as well as technical management in a multi-dimensional manner. As of the end of the Reporting Period, a total of 219 employees were assessed, among which 197 employees passed the assessments and obtained vocational skill level certificates.

XPENG 

| "XPENG" Training System |

To provide targeted training for different types of employees, we developed training programs such as Plan X, Plan P, Plan E, Plan N and Plan G to meet the training needs of employees at all levels.



13,368 people

In 2023, a total of 13,368 Company employees received training, with a training coverage rate of 98.6%

207,204 hours

a total of 207,204 hours of training, and a per capita training time of 15.5 hours.

| Employee Training | Unit | 2021 | 2022 | 2023 |
|--|------|------|------|------|
| Percentage of employees receiving training ¹¹ | % | 72.5 | 74.5 | 98.6 |

| Percentage of employee training by gender | Unit | 2021 | 2022 | 2023 |
|---|------|------|------|------|
| Male employees | % | 81.4 | 82.0 | 87.2 |
| Female employees | % | 18.6 | 18.0 | 12.8 |

| Percentage of employee training by employment level | Unit | 2021 | 2022 | 2023 |
|---|------|------|------|------|
| Senior management | % | 0.2 | 0.2 | 0.3 |
| Middle management | % | 11.6 | 5.8 | 6.7 |
| General staff | % | 88.2 | 94.0 | 93.0 |

| Average number of training hours by gender ¹² | Unit | 2021 | 2022 | 2023 |
|--|-------|------|------|------|
| Average number of employee training hours | Hours | 21.5 | 16.4 | 15.5 |
| Male employees | Hours | 19.9 | 16.7 | 15.9 |
| Female employees | Hours | 22.3 | 15.1 | 15.1 |

| Average training hours by employment level | Unit | 2021 | 2022 | 2023 |
|--|-------|------|------|------|
| Senior management | Hours | 17.8 | 24.0 | 13.3 |
| Middle management | Hours | 32.8 | 6.6 | 2.6 |
| General staff | Hours | 32.0 | 17.3 | 15.4 |

Note: 11. The formula for calculating the percentage of employees receiving training is: Total number of employees receiving training / total number of employees * 100%.

12. The formula for calculating the average number of training hours for a category of employees is: total number of hours trained for that category of employees / total number of employees in that category, the same below.

4.1.3 | Work Safety

XPENG prioritizes employee safety and adheres to a "safe development" philosophy. It strictly abides by the Law of the People's Republic of China on Work Safety and other laws and regulations, and has established a comprehensive safety management system covering all of the Company's business units, providing strong support for daily safety supervision, and actively creating a safe workplace environment.

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| Safety Management System |

The Company has established a three-level safety management structure with clear responsibilities, setting up the Safety Production Committee and the Safety Management Department, and we actively implement our safety production responsibility system. We set key safety performance indicators, including the number of major safety accidents, general accident rate, rectification rate of category A hidden dangers, and training rates for new employees. To meet our occupational health and safety goals, we require the President of the Company to sign the Statement on Occupational Health and Safety Goals along with the person in charge of key safety departments. We also implement a system that links occupational safety performance indicators to the President's individual performance. For key safety departments that fail to meet performance targets, we require them to reflect and propose improvement plans and with detailed relevant reports. At the same time, the Corporate Process Planning Department and the Company's safety management office have developed the "Hulk Feedback Platform" and created links for safety-related vocabulary to facilitate employee feedback on production safety issues.

In addition, in accordance with the requirements of ISO 45001 and relevant safety and environmental protection regulations, we have reviewed and improved the Company's system and procedural documents, revised and issued seven procedural documents, including the "Measures for the Administration of Work Safety V2," "Measures for the Administration of Work Safety Responsibility System V3" and "System for Work Safety Reward and Punishment V3."

Main Duties:

Chairman: Responsible for overall safety management.
Member: Responsible for the allocation and regular assessment of safety target indicators

Safety Steering Committee

President of the Company | Chairman
Heads of departments | Members

Main Duties:

Responsible for the office functions of the Safety Steering Committee, requiring responsible persons at different levels to conduct monthly and weekly team safety inspections.

Safety Management Office

General Manager of Quality and Safety Management Center
Deputy General Manager of Quality and Safety Management Center
Director of Quality System Department

Main Duties:

Implement the safety management of the Company and carry out independent safety management within the department.

Business Departments

Dedicated or non-dedicated safety management divisions and personnel

| Stakeholder Safety Management |

The Company implements the Stakeholder Safety and Environment Management Policy and requires suppliers to sign the Stakeholder Safety and Environment Agreement, clarifying the responsibilities and requirements of occupational safety and environmental protection for both sides. The supplier signing rate reached 100%. In 2023, there were no major occupational safety accidents within the scope of XPENG's operation.

| Indicator | 2021 | 2022 | 2023 |
|--|-------|-------|-------|
| Lost-time injury frequency rate ¹⁴ (per one million hours worked) | 0.143 | 0.505 | 0.701 |
| Data coverage (%) | 100 | 100 | 100 |

| Safety management goals and results |

Number of level 2 and above accidents (cases)¹⁵

| | | |
|-------------|--|---|
| 2023 Target |  | 0 |
| 2023 Result |  | 0 |
| 2024 Target |  | 0 |

Proportion of level 3 accidents (%)¹⁶

| | | |
|-------------|--|-------|
| 2023 Target |  | 0.08 |
| 2023 Result |  | 0.019 |
| 2024 Target |  | 0.07 |

Number of occupational disease cases (cases)

| | | |
|-------------|--|---|
| 2023 Target |  | 0 |
| 2023 Result |  | 0 |
| 2024 Target |  | 0 |

Note: 14. Lost-time injury frequency rate= Number of accidents involving loss of working days / Total working hours during the Reporting Period x 1,000,000.

15. Level 2 accidents refer to serious injury accidents, major fire accidents, major traffic accidents and occupational disease accidents; level 1 accidents refer to fatal accidents, serious fire accidents and serious traffic accidents.

16. Level 3 accidents refer to minor injury accidents, general fire accidents and general traffic accidents.

| Risk Prevention |

We have developed a comprehensive risk management and control mechanism to prevent and defuse major safety risks from the source through conducting safety performance evaluation, constructing a dual safety system, strengthening hazard prevention and performing regular risk investigation.

XPENG 

01 System audit

In 2023, we conducted the semi-annual safety management audit, internal audit of safety management system, system empowerment inspection for key departments and external audit of the safety management system, and took actions on the identified risks one by one.

02 Internal safety audit

In 2023, we conducted an internal audit of occupational safety and identified 379 audit issues, with a rectification rate of 100%.

03 Safety inspection

In 2023, we piloted a new safety performance evaluation system and conducted departmental safety performance assessments during the middle of the year and at the end of the year, meeting our standards for our safety ability index.

04 Construction of dual safety system

In 2023, we newly incorporated Guangzhou Zhipeng Manufacturing Co., Ltd. in accordance with the ISO 45001 and ISO 14001 regulations, and expanded the test sectors. We conducted five inspections of new areas, of which 65 non-conformity items were found, and resolved eight "three simultaneous safety matters".

05 Hazard Prevention

In 2023, we organized hazard identification and risk assessment in accordance with the Hazard Source Identification and Evaluation Management System of Guangzhou Xiaopeng Motors Technology Co., Ltd., and formulated relevant control measures. A total of 4,570 hazard sources were identified.

06 Risk Identification

In 2023, the Company carried out various forms of risk investigation activities, conducted daily/special safety checks on the operation scope of the Company, and identified a total of 24,582 hidden dangers, with a rectification rate of 100%.

4.1.4 | Care for Employees' Body and Mental Health

XPENG values employees' physical and mental health, work balance and work experience. In 2023, a total of about 200 employees received free emotional consulting services through XPENG's Employee Assistance Program (EAP), including counseling services, sharing of health knowledge, offline lectures, micro-classes, experience days, etc., to help employees stay in-tune with their physical and mental health, and "work efficiently and live healthily" with the Company.

XPENG 

Case Study: "525 I Love Myself" Health Day

In 2023, XPENG launched its third "525 I Love Myself" Health Day to alleviate work stress. Apart from on-site activities such as Traditional Chinese Medicine consultation, fitness actives, tabletop games, table football and an employee gratitude wall, employees engaged in fun online activities to share psychological knowledge and participate in health-led Q&A activities.



Case Study: "XPENG Appreciation Day"

"Sharing common ambition and success" is an important part of XPENG's culture. In November, during the XPENG Appreciation Day, we carried out a special activity to encourage every employee to show their gratitude. We express our sincere gratitude to the collaborative team and employees, and continue to support our employees through mutual encouragement and common progress.



Case Study: XPENG Women's Day "Wonder in Bloom" Event

In March, XPENG launched a theme event for the XPENG Women's Day for the Company's female employees, covering activities such as "Meeting the new me" female growth psychology salon, "Ideal me" activity, "Blooming charm" flower handicraft activities and "Care for women's mental health - staying away from depression" public welfare live lectures and other activities dedicated to supporting our female employees, acknowledging their psychological needs and offering an environment conducive to fostering inner tranquility.



[Feature story] Building a Sustainable Supply Chain Together

XPENG has a solid sustainable supply chain life cycle management system and promotes suppliers' sustainable development through training and education.

1 | Procurement Compliance

XPENG adheres to the principles of transparent, honest, legal and healthy procurement when establishing cooperation with suppliers. We have zero tolerance for suppliers' behavior that are against business ethics. To ensure the transparency and fairness of cooperation, we require all suppliers to sign the Integrity Commitment Letter and the Confidentiality Agreement at the beginning of cooperation, clarifying the obligations and responsibilities of both parties in areas including anti-corruption, intellectual property protection and trade secrets.

We have formulated the Blacklist System to clarify our bottom-line for supply chain cooperation. For illegal acts such as human rights violations, child labor and forced labor, we will take serious actions and blacklist suppliers in response, in order to uphold high standards of our supply chain and maintain ethical and legal frameworks for business cooperation.





| Supplier region | Number of suppliers by region in 2023 |
|---|---------------------------------------|
| ● South China | 354 |
| ● East China | 291 |
| ● North China | 42 |
| ● Central China | 95 |
| ● Northeast China | 15 |
| ● Southwest China | 24 |
| ● Northwest China | 1 |
| ● Hong Kong, Macao, Taiwan and overseas | 16 |

Total number of suppliers that have signed the Integrity Commitment Letter and Confidentiality Agreement

838

Tier 1 Suppliers

Number of suppliers assessed for sustainability risks in the last three years : **838**

Percentage of suppliers in that category assessed in the last 3 years : **100%**

Targets to Complete: In 2024, the Company targets to complete sustainability risk audits for 100% of 838 tier-1 suppliers

Critical non-tier 1 suppliers

Number of suppliers assessed for sustainability risks in the last three years : **47**

Percentage of suppliers in that category assessed in the last 3 years : **100%**

Targets to Complete: In 2024, the Company targets to complete sustainability risk audits for 100% of 47 critical non-tier-1 suppliers

3 | Supplier Enhancement

We work closely with our supply chain partners to build mutually beneficial relationships and actively cultivate and enhance the sustainability of our suppliers. We are committed not only to improving the quality of products and services but also to mutual growth and innovation. In our pursuit of excellence, we help suppliers upgrade their business ethics, sustainable development and quality to jointly create leading industry practices, laying a solid foundation for the future.



4.2 | Contribution to the Society

To undertake our social responsibilities with a professional and systematic approach, XPENG established the XPENG Public Welfare Foundation in 2021. Initiatives under this Foundation are designed to drive investment in the community and provide ecological environment education and environmental protection, all of which we regard as core aspects of our social fulfillment obligation.

As of December 31, 2023, XPENG and its affiliates have donated more than 12.8 million CNY to the XPENG Public Welfare Foundation. Donations have primarily been used for public welfare undertakings such as youth environmental education, biodiversity conservation, youth voluntary services and community development, contributing to promoting social well-being and sustainable social and environmental development.

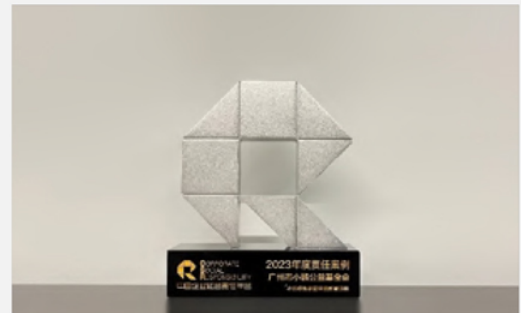
XPENG 

4.2.1 | Environmental Education

The mission of XPENG Public Welfare Foundation is to effectively spread ecological environment knowledge on climate change, biodiversity and green energy, popularizing and elevating sustainable lifestyles. XPENG Public Welfare Foundation also emphasizes partnering with schools, other public welfare organizations and volunteers to jointly promote the high-quality development of ecological environment education.

[Highlight]

XPENG Green Home Environmental Education Program is XPENG Public Welfare Foundation's flagship public welfare project. Its mission is to spread knowledge on climate change, energy transformation and biodiversity through the research and development of environmental education products, youth empowerment initiatives and public environmental education activities. As of December 31, 2023, the XPENG Green Home Environmental Education Program had provided funds, public welfare products, training and other support to 84 public welfare organizations, and was awarded as "2023 Responsibility Case" by Southern Weekly.



| Promoting Environmental Protection Volunteering |

The XPENG Volunteer Service Team, established by the XPENG Public Welfare Foundation on March 5, 2022, provides voluntary services in areas such as environmental education, low-carbon lifestyle promotion and biodiversity conservation. As of December 31, 2023, we had more than 630 registered volunteers with a cumulative service time exceeding 15,000 hours.

The first phase of the "XPENG Green Home Youth Trip," an environmental education activity hosted by the XPENG Public Welfare Foundation and organized by the XPENG Volunteer Service Team, commenced in May 2022 and ended in October 2023. The Trip included a total of 51 activities and served more than 3,245 participants. In December 2023, the second phase of "XPENG Green Home Youth Trip" was launched, featuring an "Energy and Travel" theme. The activity recruited employees, car owners and other volunteers to carry out environmental education activities such as popularizing the science behind new energy vehicles, advocacy for low-carbon travel and publicity for biodiversity protection in the coming year.

Volunteers are also encouraged to independently identify and respond to social needs. In March 2023, XPENG Public Welfare Foundation held the first phase of the "Youth UP Innovation Camp" to support 22 volunteers in creating environmental education plans for different premises such as factories, communities and enterprises.



"Youth UPC Innovation Camp" learning activities for smart green manufacturing



First phase of the "Green Home Youth Tour" voluntary service activity

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| Integrating Charitable Concepts Into Business Operations |

In addition to actively carrying out environmental volunteer activities, XPENG Public Welfare Foundation explores cross-field cooperation with other business departments, further encouraging employees and car owners to implement green and low-carbon practices in their daily work and life.

In April 2023, XPENG Public Welfare Foundation held a series of parent-child environmental education activities on six major XPENG sales platforms in Guangzhou, Shenzhen, Beijing, Hunan and Hubei region, Sichuan and Southwest China, and Jiangsu and Anhui region. The activities covered topics such as biodiversity conservation, climate change and low-carbon lifestyles, and promoting environmental awareness through small classes, handcraft workshops and reading clubs.



Parent-child reading club



Low-carbon lifestyle-themed environmental education

4.2.1 | Community Building

With a continued focus on rural children's education, XPENG Public Welfare Foundation joined hands with volunteers and social organizations to conduct 800 community education activities in rural schools. We covered topics such as climate change, energy reform and biodiversity. XPENG Public Welfare Foundation has also formulated a guideline for donating supplies and called on business departments of XPENG to donate supplies such as food, clothing and stationery to help social groups in need in urban and rural communities.




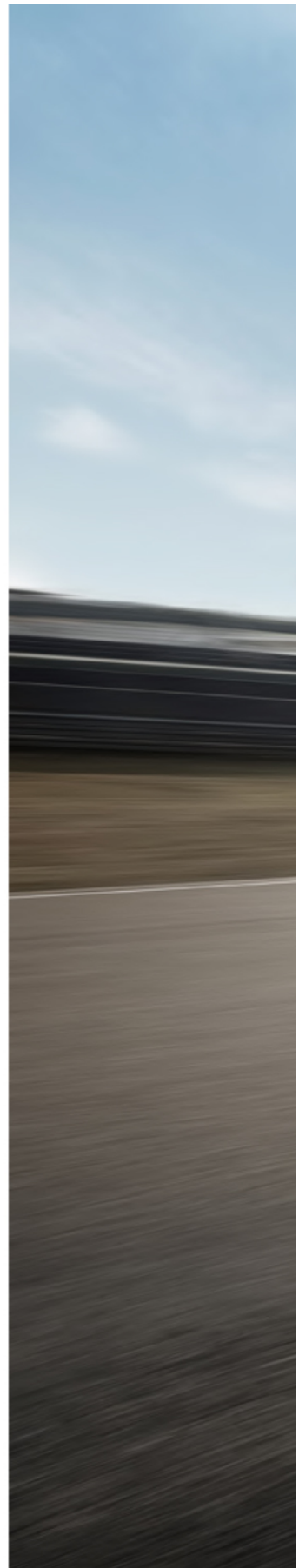
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05

Appendix

EXPLORER
OF FUTURE MOBILITY

 ENVIRONMENTAL · SOCIAL · GOVERNANCE



5.1 | Key Performance Indicators

| Economic Performance Indicators |

| Key indicators | Unit | 2021 | 2022 | 2023 |
|------------------------------|---------------|----------|----------|----------|
| Total revenues | CNY (million) | 20,988.1 | 26,855.1 | 30,676.1 |
| Gross margin | % | 12.5 | 11.5 | 1.5 |
| Total deliveries of vehicles | Unit | 98,155 | 120,757 | 141,601 |
| Added authorized patents | Item | 428 | 694 | 727 |

| Environmental Performance Indicators¹⁷ |

| Key indicators | Unit | 2021 | 2022 | 2023 |
|---|-------|---------|---------|---------|
| Nitrogen oxide emissions ¹⁸ | Tonne | 2.4 | 2.3 | 3.8 |
| Sulfur dioxide emissions | Tonne | 0.5 | 0.4 | 0.4 |
| Particulate matter emissions | Tonne | 1.3 | 2.0 | 15.0 |
| VOCs in exhaust gas | Tonne | 7.2 | 14.1 | 7.8 |
| Total discharge of industrial wastewater | Tonne | 116,190 | 167,191 | 175,454 |
| COD in industrial wastewater | Tonne | 2.3 | 3.3 | 5.6 |
| BOD in industrial wastewater | Tonne | 0.6 | 0.8 | 2.0 |
| Nitrogen ammonia in industrial wastewater | Tonne | 0.1 | 0.2 | 0.9 |
| Total nitrogen in industrial wastewater | Tonne | 1.0 | 1.6 | 2.8 |

| Key indicators | Unit | 2021 | 2022 | 2023 |
|--|----------------------|----------------------|----------------------|----------------------|
| Gasoline consumption | MWh | De minimis | 15.4 | De minimis |
| Diesel consumption | MWh | De minimis | 55.1 | 43.5 |
| LNG consumption | MWh | 29,490 | 45,340 | 35,792 |
| Photovoltaic power consumption | MWh | 2,905 | 13,552 | 23,996 |
| Indirect energy consumption | MWh | 56,322 | 73,362 | 157,415 |
| Power consumption | MWh | 56,322 | 73,362 | 157,415 |
| Total water consumption | m ³ | 424,275 | 987,330 | 807,952 |
| Total water consumption intensity | m ³ /CNY | 0.02 | 0.04 | 0.03 |
| Municipal water consumption | m ³ | 271,150 | 834,264 | 633,841 |
| Recycled water consumption | m ³ | 153,125 | 153,066 | 174,111 |
| Package material consumption for whole vehicle manufacturing | Tonne | 26 | 62 | 740 ²⁶ |
| Packaging material intensity | Tonne/CNY (thousand) | 1.2×10 ⁻⁶ | 2.3×10 ⁻⁶ | 2.4×10 ⁻⁵ |

| Social Performance Indicators |

| Key indicators | Unit | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|
| Total number of employees (full-time) ²⁷ | Person | 13,978 | 15,829 | 13,550 |
| Number of part-time / internship employees ²⁸ | Person | 1,166 | 802 | 817 |
| New employees | Person | 8,894 | 7,910 | 3,795 |
| Number of employees with disabilities | Person | 50 | 114 | 185 |

| Key indicators | | Unit | 2021 | 2022 | 2023 |
|---|---|--------|---------|---------|---------------------|
| Employee turnover rate by region | Chinese mainland | % | 17.7 | 27.6 | 31.2 |
| | Hong Kong, Macao, and Taiwan | % | 0 | 25.0 | 31.0 |
| Employee training | Percentage of employees trained | % | 72.5 | 74.5 | 98.6 |
| | Average training hours | Hour | 21.5 | 16.4 | 15.5 |
| Percentage of employees trained by gender | Male | % | 81.4 | 82.0 | 87.2 |
| | Female | % | 18.6 | 18.0 | 12.8 |
| Percentage of employees trained by employee category | Senior management | % | 0.2 | 0.2 | 0.3 |
| | Middle management | % | 11.6 | 5.8 | 6.7 |
| | Primary-level employees | % | 88.2 | 94.0 | 93.0 |
| Average training hours completed by gender | Male | Hour | 19.9 | 16.7 | 15.9 |
| | Female | Hour | 22.3 | 15.1 | 15.1 |
| Average training hours completed by employee category | Senior management | Hour | 17.8 | 24.0 | 13.3 |
| | Middle management | Hour | 32.8 | 6.6 | 2.6 |
| | Primary-level employees | Hour | 32.0 | 17.3 | 15.4 |
| Occupational health and safety of employees | Number of safety accidents | Case | 0 | 0 | 0 |
| | Work-induced fatalities | Person | 0 | 0 | 0 |
| | Proportion of accidents involving loss of working hours (per 1 million working hours) | % | 0.143 | 0.505 | 0.701 |
| | Total number of lost days due to work injuries | Day | 371 | 399 | 1,043 ³³ |
| | Total hours of safety training for employees | Hour | 287,414 | 212,131 | 281,025 |

Note:

17. The environmental data collected for the purpose of this report covers the XPENG headquarters, Zhaoqing base, Guangzhou base and self-operated XPENG stores in several locations. Due to the commissioning of the Guangzhou base in 2023 and the increase in the number of self-operated shops, some of the emission generation and energy consumption have increased.
18. The emissions of nitrogen oxides, sulfur dioxides, and particulate matter are all derived from direct emissions during the plant's manufacturing process.
19. Greenhouse gases include carbon dioxide, nitrous oxide, methane, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons, which are the six greenhouse gases listed in the Kyoto Protocol.
20. In 2023, the scope of data collected improved, resulting in an increase in greenhouse gas emissions.
21. GHG emissions (Scope 1) are derived from direct GHG emissions of equipment within the operating locations. Emission factors are based on the Technical Specification for the Accounting of Lifecycle Carbon Emissions of Passenger Vehicles, and Scope 1 emission statistics improved in 2023 to include three new categories of emission sources: refrigerant, fire extinguishers and wastewater treatment.
22. GHG emissions (Scope 2) are derived from the indirect emissions of purchased energy (electricity). The emission factor is selected from the national grid average emission factor. In 2023, the increase in the number of self-operated stores and commissioning of the Guangzhou Smart Manufacturing Innovation Center led to an increase in electricity consumption, which in turn led to an increase in Scope 2 emissions.
23. GHG emissions (scope 3) include Category 1 - Purchased goods and services (new to the statistics) and Category 6 - Employee commuting. Emission coefficients are derived from the China Products Carbon Footprint Factors Database and the Technical Specification for the Accounting of Lifecycle Carbon Emissions of Passenger Vehicles.
24. Hazardous waste is defined in accordance with the National Catalogue of Hazardous Wastes (2021 Edition) published by the Ministry of Ecology and Environment of the People's Republic of China. In 2023, the Guangzhou production base achieved full recycling of industrial solid waste, such as industrial waste steel sheets and waste cardboard, and therefore, the amount of waste generated decreased.
25. Energy consumption is calculated with reference to the General Rules for the Calculation of Comprehensive Energy Consumption, and have restated data for 2022.
26. Adjustments to the pick-up strategy in 2023 to include supplier-delivered packages in the statistics and the commencement of production at the Guangzhou production base resulted in increased packaging materials consumption.
27. In this report, when calculating employee-related data such as percentage of employees by gender, percentage of employees by position, percentage of employees by age, percentage of employees by region and employee turnover rate, we only use data from full-time employees. Data from part-time/internship employees are not included.
28. The total number of part-time employees in 2023 consists of interns.
29. In the number of employees by gender data, the specific gender of 201 overseas employees (1.5%) was not identified in 2023 due to employee privacy requirements in some overseas regions.
30. In the data on the number of employees by age, in addition to the disclosed data, the age of 257 overseas employees (1.9%) was not identified in 2023.
31. In the data on employee turnover rate by gender, the Company no longer produces turnover statistics for employees who do not disclose their gender.
32. In the data on employee turnover rate by age, the Company no longer produces turnover statistics for employees who do not disclose their age.
33. In 2023, the Company followed policy guidelines and adjusted the rest and pay period for employees injured at work.
34. Ms. Xiao Hu was appointed as a non-executive Director on November 15, 2023 and resigned as a non-executive Director on March 19, 2024.

| Aspects, General Disclosures and KPIs | | | Chapter |
|---|---------------------------|--|---|
| Aspect A2: Use of Resources | KPI A2.2 | Water consumption in total and intensity (e.g., per unit of production volume, per facility). | 2.2. Green Production 5.1. Key Performance Indicators |
| | KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | [Feature story] Green Products Leading Green Travel 2.2. Green Production |
| | KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | 2.2. Green Production |
| | KPI A2.5 | Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. | 5.1. Key Performance Indicators |
| Aspect A3: Environmental and Natural Resources | General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources. | [Feature story] Green Products Leading Green Travel 2.2. Green Production |
| | KPI A3.1 | Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them. | 2.2. Green Production |
| Aspect A4: Climate Change | General Disclosure | Policies on identification and mitigation of significant climate-related issues that have impacted and those that may impact the issuer. | 2.1. Climate Governance |
| | KPI A4.1 | Description of the significant climate-related issues that have impacted, and those which may impact the issuer, and the actions taken to manage them. | 2.1. Climate Governance |

| Aspects, General Disclosures and KPIs | | | Chapter |
|---------------------------------------|--------------------|---|--|
| Aspect B4: Labor Standards | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor | 4.1. Employee Health and Development |
| | KPI B4.1 | Description of measures to review employment practices to avoid child and forced labor. | 4.1. Employee Health and Development |
| | KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | 4.1. Employee Health and Development |
| Operating Practices | | | |
| Aspect B5: Supply Chain Management | General Disclosure | Policies on managing environmental and social risks of the supply chain. | [Feature story] Building a Sustainable Supply Chain Together |
| | KPI B5.1 | Number of suppliers by geographical region. | [Feature story] Building a Sustainable Supply Chain Together |
| | KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | [Feature story] Building a Sustainable Supply Chain Together |
| | KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored. | [Feature story] Building a Sustainable Supply Chain Together |
| | KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored. | [Feature story] Building a Sustainable Supply Chain Together |
| Aspect B6: Product Responsibility | General Disclosure | (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. | 1.1. Quality Products 1.2. Quality Services |
| | KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 1.1. Quality Products |
| | KPI B6.2 | Number of products and service-related complaints received and how they are dealt with. | 1.2. Quality Services |

5.3 | Feedback Form

Dear reader,

Thank you for reading the XPeng Inc. 2023 Environmental, Social and Governance Report. We very much hope that you can give us your comments about this report and leave your valuable opinions to help us make continuous improvements to the report.

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