

Li Auto Inc.

Environment, Health, and Safety (EHS) Management Policy

Disclaimer: This Policy was prepared in Chinese and English, respectively. In case of any inconsistency, the Chinese version shall prevail.

I. Purpose

Li Auto Inc. (“**Li Auto**”, “**We**” or the “**Company**”) adopts this Environment, Health, and Safety (EHS) Management Policy (the “**Policy**”) to protect the ecological environment, ensure the health and safety of employees, and protect the interests of shareholders. EHS management activities shall be conducted throughout business processes from product R&D and vehicle manufacturing to supply chain management and sales services. We value the expectations and concerns of our stakeholders, and incorporate key issues related to EHS into this Policy to support the continuous improvement of our EHS management system. We fully recognize the close interconnection between the climate and the environment and are committed to proactively taking measures to reduce the adverse environmental impact of our operations. By prioritizing occupational health and safety and actively embracing green and sustainable development, Li Auto is committed to developing itself as a healthy, safe, resource-saving, and eco-friendly new energy vehicle enterprise.

II. Applicable Scope

This Policy applies to Li Auto Inc. and all its employees, including its subsidiaries, wholly-owned subsidiaries, branches, and affiliated companies, as well as organizations and individuals assigned to work for or on behalf of Li Auto. Meanwhile, we encourage our suppliers, contractors, and other partners to refer to the standards established in this Policy and to continuously elevate their EHS management level.

III. Philosophy, Policies, and Principles

Li Auto has formulated and implemented EHS philosophy, policies, and principles in accordance with domestic and international EHS-related laws and regulations,

environmental management standards and guidelines (ISO14001), occupational health and safety management standards and guidelines (ISO45001), as well as in alignment with the Company's EHS management strategies.

1. EHS Philosophy

Li Auto considers it a core interest to protect the health and safety of employees and embrace green and sustainable development.

2. EHS management policies

Inspired by corporate values and vision, Li Auto strives to create long-term value for both the environment and workforce by adopting environmental protection measures and providing a safe and healthy working environment:

- 1) We give top priority to on-site and people-oriented EHS management;
- 2) We continuously cultivate an EHS culture with the voluntary participation of every member of the Li Auto family;
- 3) We establish EHS systems through diverse and creative approaches;
- 4) We uphold EHS practices that exceed both legal and social requirements to meet societal expectations.

3. EHS Principles

- 1) The person in charge of business divisions shall bear direct responsibility for EHS management;
- 2) Compliance with EHS rules is a precondition for employment;
- 3) EHS education and drills for employees shall become a routine;
- 4) All EHS hazards shall be promptly rectified;
- 5) All EHS incidents shall be reported, analyzed, rectified, and horizontally investigated in a timely manner;
- 6) All stakeholders shall adhere to the EHS management requirements and processes of the locality.

IV. Management Policies

Guided by the EHS management philosophy, policies, and principles, Li Auto has established a complete EHS management system. By setting quantitative goals, we actively prevent incidents and minimize environmental impacts. A wide variety of EHS improvement activities are also conducted to foster an advanced EHS culture.

1. System management

Li Auto has established an integrated EHS organizational structure, adopted key performance indicators (KPIs) to enhance on-site health and safety, and thoroughly implemented the EHS management policy. To further strengthen EHS management, we select improvement tasks to prevent major incidents and inspect the on-site management status overseen by the management.

- 1) **Objective setting:** We will establish clear and measurable environmental objectives, including waste reduction objectives, energy consumption objectives, and water usage objectives, which are integrated into our environmental management system. To ensure the achievement of these objectives, we break them down into annual objectives and regularly monitor the progress, aiming to reduce resource consumption and control greenhouse gas emissions and pollution. Currently, Li Auto set interim climate targets based on the well-established framework of the ISO Net Zero Guidelines (IWA 42). Using 2024 as the baseline year, the Company aims to achieve the following targets:
 - i. By 2030, reduce absolute Scope 1 and Scope 2 GHG emissions (within the operational boundary) by more than 40%, and reduce Scope 3 GHG emissions intensity per vehicle by more than 25%.
 - ii. By 2040, reduce absolute Scope 1 and Scope 2 GHG emissions (within the operational boundary) by more than 65%, and reduce Scope 3 GHG emissions intensity per vehicle by more than 65%.
 - iii. By 2050, reduce absolute Scope 1 and Scope 2 GHG emissions (within the operational boundary) by more than 90%, reduce Scope 3 GHG emissions intensity per vehicle by more than 90%, and ultimately achieve net-zero emissions.
- 2) **Performance management:** We formulate and manage medium and long-term EHS performance improvement indicators. By analyzing EHS data derived from leading and lagging indicators, we establish medium and long-term performance improvement goals in accordance with domestic and international laws and regulations, industry trends, as well as internal EHS requirements. Periodically, we review, analyze, evaluate, and refine these goals.
- 3) **Review and continuous improvement:** We will conduct timely internal EHS reviews and regular annual external stakeholder surveys, and seize every opportunity to enhance the effectiveness, applicability, and adequacy of the EHS management system as well as this Policy. In the event of major EHS incidents, internal or external complaints, failure of risk control measures, or unmet objectives, we will promptly analyze root causes and take corrective or preventive measures.

2. Resource support guarantee

Li Auto has established a company-level EHS Management Committee as the top decision-making body for EHS matters. In addition, EHS management committees are put in place for each business line, along with dedicated EHS management departments. With the aim to implement EHS management policies, achieve management objectives, reduce risks, and prevent incidents, the Company will allocate necessary personnel, infrastructure, and funds while continuously enhancing personnel capabilities. Further efforts will be made to expand or reorganize the EHS organizational structure and strengthen our capabilities to implement safety prevention measures. We also set and monitor performance management indicators oriented towards on-site outcomes to prevent major disasters and incidents.

Li Auto provides EHS training for employees, management, and other stakeholders to enhance their awareness of the necessity of EHS management. We encourage frontline employees to actively participate in establishing internal and external communication channels across various functions and levels. The Company has consistently improved capabilities by supporting suppliers in establishing EHS systems for employees and business partners. Through these efforts, we have been at the forefront of promoting sustainable, shared growth.

3. Construction of EHS management activities

3.1 Health and safety management activities

- 1) **Risk management:** We will identify risk factors in areas such as raw materials, working environment, equipment and facilities, process gases and chemicals, and working practices. We also take necessary measures to prevent and control risks.
- 2) **Objectives management:** We have established key objectives for occupational health and safety management. Through regular systematic assessment and dynamic tracking mechanisms, we continuously monitor our progress towards the health-related goals to ensure the effective implementation of all management objectives.
- 3) **Procurement and outsourcing management:** We will require suppliers to explain the EHS risks associated with their equipment and corresponding control measures available during the facility procurement, which will be included as one of the acceptance criteria upon delivery. Before engaging external contractors, we will conduct a qualification review. After engaging external contractors, we will implement the whole-process management,

including training and disclosure, process inspection and supervision, and exit, in accordance with the management processes of relevant stakeholders.

- 4) **Compliance management of construction projects:** We will establish a compliance management procedure for construction projects to control compliance risks involved in the implementation of new, reconstruction, and expansion projects, as well as risks during the implementation process of construction projects.
- 5) **Work safety management:** For high-risk operations, we implement a Permit to Work (PTW) management system. For unconventional operations, we apply the Job Safety Analysis (JSA) tools to prepare work permits and control process risks. Conventional operations are controlled through the Standard Operating Procedures (SOP). This ensures standardized management for various operational activities and the achievement of quantifiable targets.
- 6) **Machinery safety management:** We will implement quality assurance and control measures for the design, manufacturing, transportation, installation, and other aspects of equipment and facilities. Additionally, we will formulate maintenance plans for equipment and facilities, along with necessary performance testing and verification, so as to ensure that the risk of mechanical injuries is controllable.
- 7) **Change management:** We will develop and improve the execution of changes in aspects such as personnel, equipment & facilities, and process plans & procedures. We will analyze potential risks in the changes and develop corresponding control measures. This ensures that new risks are controlled and existing risk control measures are not eliminated or weakened.
- 8) **Emergency preparations and responses:** We establish emergency preparedness and response mechanisms for material hazards, important environmental factors, and process risks. This includes ensuring the timely allocation of emergency materials, developing training and drill plans, and continuously evaluating and improving emergency response processes.
- 9) **Accident and incident management:** We will establish a well-developed accident and incident management process to implement all-round management of accident and incident reporting, emergency response, investigation, and improvement. Meanwhile, we will conduct regular statistical analysis of accidents and incidents and incorporate the findings into our performance improvement goals. Moreover, we actively consider employee feedback by organizing regular thematic discussions on handling procedures for health and safety incidents, and we continuously optimize relevant

procedure based on employee suggestions to ensure the effectiveness and applicability of EHS management measures.

- 10) **Supplier management:** We sign safety management agreements with contractors and suppliers to clearly define their safety responsibilities and obligations. A full-process supervision mechanism is in place to ensure strict adherence to safety management requirements during project implementation, thereby safeguarding the safe and smooth execution of the projects.

3.2 Environmental protection management activities

- 1) **Supply chain management:** We will share our environmental policies and management strategies with contractors, suppliers, dealers, and other partners, encouraging them to fulfill environmental responsibilities. Besides, we will fully consider environmental factors and encourage the use of eco-friendly materials and technologies in production and operations.
- 2) **Material usage:** We will address environmental impacts based on the assessment results of environmental impacts throughout the life cycle, including raw material inputs, product production/distribution, and recycling/reuse of waste products. We conduct regular training on environmental impact to enhance employees' awareness and understanding of the environmental implications of the Company's operations, thereby strengthening their sense of environmental responsibility. Furthermore, we will consistently promote the concept of green and sustainable development and apply it to production and daily operations, aiming to create an eco-friendly, low-carbon enterprise.
- 3) **Logistics management:** We will adopt cutting-edge logistics technologies and expand the eco-friendly logistics transportation network. We will scientifically plan and implement transportation, storage, loading/unloading, handling, packaging, circulation, distribution, information processing, and other logistics activities. These efforts aim to reduce the environmental impact of logistics and continuously develop a green logistics system.
- 4) **Energy consumption management:** We will thoroughly consider energy efficiency in the production and operational processes, as well as develop and promote advanced technologies to continuously improve the efficiency of energy management. We will implement energy-saving measures and control strategies to further improve the efficiency of energy utilization. We will promote and increase the use of renewable or alternative energy sources, such as solar power and green electricity. We also provide energy efficiency training

to improve energy usage practices and continuously enhance awareness of energy conservation and consumption reduction.

- 5) **Water resource management:** Recognizing the importance of sustainably conserving water resources, we proactively conduct water use assessments to evaluate water dependency and usage patterns, as well as identify and monitor water-related risks, and seek opportunities and methods to reduce consumption and improve water recycling efficiency. We are progressively advancing the refined management of water resource data, implementing advanced technologies, processes, and systems for water efficiency, and encouraging employees and partners to participate in water-saving initiatives. We also organize training on water efficiency management to promote widespread engagement in the efficient use of water resources and enhance awareness of water conservation.
- 6) **Industrial waste management (waste gas emissions, waste water, solid waste):** We will identify the waste generated by the Company in daily operations and strictly comply with relevant laws and regulations. Through internal and external cooperation, we will seek innovative solutions and technologies to ensure the safe and orderly recycling, reuse, and proper disposal of waste. Additionally, we will control and reduce waste generated from the source. We carry out training on waste reduction and minimization to continuously raise employee awareness of conservation, helping them gain a deeper understanding of the positive impact of waste reduction on both operational efficiency and environmental protection.
- 7) **Mergers and acquisitions management:** Li Auto will conduct an environmental investigation during its merger and acquisition processes. Based on environmental data, we will review the environmental compliance risks and potential adverse environmental impacts of the merger and acquisition targets. Subsequently, we will formulate strategies to address compliance risks and incorporate the results of the environmental impact assessment into the valuation of the targets.

V. Conclusion

This Policy will serve as support for the effective management of EHS-related risks in production and operational activities, as well as risk response capability enhancement of our facilities and employees. Legal systems may vary across countries and regions. In the event of any inconsistency between this Policy and local laws and regulations, the stricter requirements and local laws and regulations shall prevail. This Policy is

subject to regular reviews and revisions in conformity with regulatory changes or corporate developments.