

**HESAI**

Empower Robotics, Elevate Lives

HESAI Technology

# Environmental, Social and Governance Report 2023



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## About the Report

### Introduction

This Report is the inaugural Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "Report") issued by Hesai Technology (hereinafter referred to as "Hesai," "the Company," or "we") to stakeholders. Adhering to the principles of balance, comparability, accuracy, timeliness, clarity and reliability, the Report discloses Hesai's management measures and achievements in sustainable development.

### Reporting Scope

The Report covers the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as the "Reporting Period," "this year," or "2023"). To enhance the comparability and completeness of the Report, certain content appropriately traces back to previous years or involves the year 2024.

The Report discloses information on the fulfillment of ESG responsibilities of Hesai Technology and its principal subsidiaries included in the Annual Report.

### Information Source

The information and data disclosed in the Report are extracted from Hesai's official documents, statistical reports and the Annual Report. The reporting currency is RMB. If there is any inconsistency between the financial indicators contained herein and those contained in the Annual Report, the latter shall prevail.

### Basis of Preparation

The Report has been prepared in accordance with a series of standards, including the GRI Sustainability Reporting Standards (hereinafter referred to as the "GRI Standards") issued by the Global Sustainability Standards Board (GSSB), the Reporting Standard for the Auto Parts Industry issued by the Sustainability Accounting Standards Board (SASB). In addition, the Report also refers and responds to the issues of concern under the United Nations Sustainable Development Goals (UN SDGs).

### Report Approval

The content of the Report has been determined according to a systematic procedure. The procedure includes conducting research and interviews, identifying key stakeholders, identifying material ESG-related issues, understanding the opinions of stakeholders, determining the materiality of the issues, collecting relevant information and data, reviewing and verifying the information and data, preparing the Report based on the information and data collected, and reviewing and approving the Report by the Board of Directors (the "Board"). After receiving confirmation from the senior management, the Board approved this Report on August 19, 2024.

### Report Access

An electronic copy of this Report can be downloaded at: <https://investor.hesaitech.com/esg>.

We attach great importance to the opinions of all stakeholders. For comments or suggestions about this Report, please email: [ir@hesaitech.com](mailto:ir@hesaitech.com). Your opinions will help us improve the Report and enhance our ESG performance.

### Disclaimer

Certain statements in this Report are forward-looking and subject to uncertainties, which may cause actual results to be materially different from those presented. The Company undertakes no obligation to update any forward-looking statement provided in this Report.

# Board Statement

Every era presents unique industry opportunities, yet only the companies that tackle significant social challenges leave a lasting imprint on history. Since its inception in 2014, Hesai has embraced the mission of "Empower Robotics, Elevate Lives." Dedicated to harnessing cutting-edge LiDAR solutions, Hesai is spearheading the future of robotics, striving for a better, safer and more efficient world.

LiDAR's transformative influence on society has propelled its evolution from a standalone product to an entire industry.

**We are accelerating the advancement and adoption of intelligent driving technologies through our LiDAR products. This contributes to establishing safe, efficient and eco-friendly transportation systems.** Globally, over 1.3 million lives are lost annually in traffic accidents, and human factors such as drunk driving or fatigue accounting for 90% of the traffic accidents. Studies indicate that intelligent driving solutions equipped with LiDAR can reduce severe accident rates by up to 20% compared to human drivers. By providing industry-leading LiDAR products, we enhance road safety, substantially reducing the risks of traffic accidents and fostering overall traffic safety. Simultaneously, addressing transportation's impact on the climate is imperative. Statistics show that the transportation sector contributes roughly 16% of global greenhouse gas emissions. Hesai is committed to promoting the adoption of intelligent electric vehicles, facilitating the smart and sustainable transition of transportation systems, and substantially reducing emissions in the global transportation sector.

**Looking forward, we aspire to leverage our technology to empower robotics solutions across diverse fields, positively impacting lives.** With over 30 million truck drivers,

10 million couriers and 7 million food delivery riders in China alone, labor-intensive industries face considerable challenges amidst an aging population, declining birth rates and rising labor costs. We aim to enhance workers' productivity and job satisfaction by using advanced robotics technology to liberate them from inefficient and hazardous work conditions, while also improving the quality of life for the elderly, assisting disabled individuals, and supporting various other vulnerable groups, ultimately increasing overall human satisfaction.

These challenges underscore the urgency for safer, more sustainable intelligent driving and robotics solutions. They also reinforce our belief that our endeavors will yield enduring social benefits.

**We embrace our responsibility and navigate uncharted paths.** Hesai's success today stems from our unwavering commitment to R&D and innovation. By consistently investing in R&D, we have overcome cutting-edge technologies, consolidating a robust technological foundation to shape long-term competitiveness. Through independent ASIC development, we have successfully reduced product size and cost while notably enhancing performance. These endeavors have dramatically propelled LiDAR technology promotion and intelligent driving development.

**Driven by aspiration and grounded determination,** ensuring timely and high-quality deliveries of LiDAR products is pivotal to fulfilling our mission. We have implemented highly automated production lines, overseeing every production phase to optimize processes promptly and meet global customers' demands for fast-paced, top-quality mass production deliveries of LiDAR products. Our vision is to enable 3D perception for

1% of all vehicles by 2025, and we are steadily progressing toward this target. By the end of 2023, our cumulative LiDAR product shipments surpassed 300,000 units, marking a significant milestone for Hesai and a notable stride in driving LiDAR industry development.

**Cultivate ourselves and take the lead.** To showcase our commitment to environmental and social responsibilities comprehensively while safeguarding stakeholders' interests, Hesai has issued its inaugural annual ESG report. We strive to lead by example, continuously enhancing our ESG management system, infusing ESG principles into our business operations and development decisions, and bolstering our sustainable development capabilities. We prioritize talent attraction, development and retention, fostering employee engagement, satisfaction and a sense of belonging. Emphasizing product and production safety, as well as information security management, our goal is to establish the industry's most advanced safety management certification system, spearheading the formulation of standards and norms in the LiDAR industry. Additionally, we seek to improve resource utilization efficiency and actively explore renewable energy solutions from production onset to tackle essential ecological and environmental challenges such as climate change. Through these efforts, we aspire to become a leader in sustainable development, establishing a new benchmark in the LiDAR industry.

**Our goals are both ambitious and humble. We aim to leverage our technological prowess to address critical social challenges, exploring the nexus of technological innovation and social advancement while creating enduring business and social values.** Committed to close collaboration with stakeholders, we jointly pursue excellence in products and services, empower safer global transportation, drive advancements in robotics, and ultimately contribute to elevating the quality of human life.

# About Hesai Technology

Hesai Technology is a global leader in LiDAR solutions. With a mission to "Empower Robotics, Elevate Lives," Hesai, alongside its partners, relies on its leading technology, high-performance products and excellent mass production capabilities to deliver smarter, safer and cleaner transportation experiences. The Company's LiDAR products enable a broad spectrum of applications across passenger and commercial vehicles with advanced driver assistance systems (ADAS), autonomous driving vehicles and robotic applications, such as last-mile delivery robots and AGVs. The Company has superior R&D capabilities across optics, mechanics, and electronics. Hesai has established offices in Shanghai (China), Palo Alto (USA) and Stuttgart (Germany), with customers spanning over 40 countries.

As of December 2023



The Company's cumulative delivered LiDAR units had surpassed

300,000



The Company held a global automotive LiDAR industry market share close to

50%<sup>1</sup>

<sup>1</sup> Source: *LiDAR for Automotive 2023* report released by Yole Intelligence.



# ESG Highlights of 2023

The proportion of renewable or recyclable materials in the raw materials reached approximately

16%

The proportion of recyclable packaging materials in the total packaging materials reached

67%

The number of granted patents and pending patent applications held was

1,400+

Innovation and R&D investment reached

790.5 million RMB

The proportion of experienced engineers among total employees

~70%

Obtained ISO 9001 Quality Management System Certification, IATF 16949 Automotive Quality Management System Certification, ISO 26262 Functional Safety Management System Certification and ISO/SAE 21434 Cybersecurity Management System Certification

Obtained ISO/IEC 27001:2013 UKAS and CNAS Certifications and reached the highest protection level (AL3) in the Trusted Information Security Assessment Exchange (TISAX)

Obtained ISO 14001 Environmental Management System Certification

Obtained ISO 45001 Occupational Health and Safety Management System Certification

# 1.0

## ESG Governance

- ESG Structure
- Stakeholder Communication
- Materiality Analysis



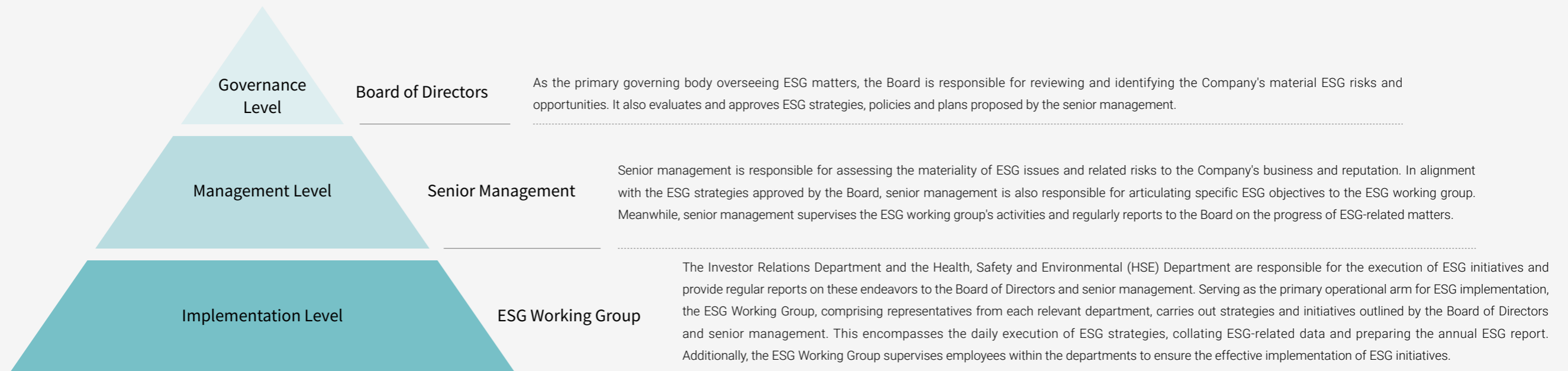
**H**umanity  
**E**ngineering  
**S**cience  
**A**rt  
**I**nnovation

# ESG Structure

Hesai is committed to enhancing ESG governance by building a systematic framework aimed at promoting sustainable development across ESG domains. Guided by its mission to empower better lives through technology, Hesai integrates sustainability management as a fundamental pillar of its overarching strategy. It actively communicates with stakeholders, addresses their ESG requirements, continuously refining its ESG governance performance.










Hesai has established a three-tier governance structure tailored to the Company's needs, clearly defining each department's specific ESG governance responsibilities. This structure is subject to regular review and updates to align with shifts in the Company's business operations and evolving ESG disclosure requirements.

## ESG Structure





# Stakeholder Communication

Stakeholders	Issues of concern		Communication methods	
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Legal employment</li> <li>• Training &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety</li> <li>• Compensation &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Townhall meetings</li> <li>• Online &amp; offline training</li> </ul>	<ul style="list-style-type: none"> <li>• Employee manual</li> <li>• Work safety management measures</li> <li>• Employee care activities</li> </ul>
 <b>Investors</b>	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Ongoing and stable business growth</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant operations</li> </ul>	<ul style="list-style-type: none"> <li>• Information disclosure system</li> <li>• Regular &amp; interim announcements and reports</li> </ul>	<ul style="list-style-type: none"> <li>• News releases</li> <li>• Accessible channels for investor communication</li> </ul>
 <b>Governments &amp; regulators</b>	<ul style="list-style-type: none"> <li>• Compliant operations</li> <li>• Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Low-carbon actions</li> <li>• Sustainable resource utilization</li> </ul>	<ul style="list-style-type: none"> <li>• Information disclosure system</li> <li>• Regular &amp; interim announcements and reports</li> </ul>	<ul style="list-style-type: none"> <li>• Supervision &amp; inspection</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality &amp; safety</li> <li>• Information security</li> </ul>	<ul style="list-style-type: none"> <li>• Privacy protection</li> <li>• Customer services</li> </ul>	<ul style="list-style-type: none"> <li>• Quality certification</li> <li>• Customer complaint handling process</li> </ul>	<ul style="list-style-type: none"> <li>• Customer survey</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Mutual benefits</li> </ul>		<ul style="list-style-type: none"> <li>• Supplier agreements</li> <li>• Supplier partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier audit and evaluation</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy use and emission reduction</li> <li>• Environmental actions</li> </ul>		<ul style="list-style-type: none"> <li>• Environmental data disclosure</li> <li>• Environmental training</li> </ul>	
 <b>Industry associations</b>	<ul style="list-style-type: none"> <li>• Industry progress</li> <li>• Innovative development</li> </ul>		<ul style="list-style-type: none"> <li>• Industry standard establishment</li> <li>• Technological exchanges</li> </ul>	
 <b>Communities</b>	<ul style="list-style-type: none"> <li>• Social welfare</li> <li>• Volunteer activities</li> </ul>		<ul style="list-style-type: none"> <li>• Official accounts</li> <li>• Official website</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> </ul>
 <b>Media &amp; the public</b>	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Compliant operation</li> </ul>	<ul style="list-style-type: none"> <li>• Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Official accounts</li> <li>• Regular &amp; interim announcements and reports</li> </ul>	<ul style="list-style-type: none"> <li>• Official website</li> <li>• News releases</li> </ul>

# Materiality Assessment

To better identify and manage material issues, Hesai has established a systematic analysis pathway to form a materiality matrix for the year, comprising four sequential steps: identification, research, ranking and confirmation.

## Identification

Drawing upon national policies, industry focal points and prevailing sustainability reporting standards, Hesai has identified 18 key ESG priorities.

## Research

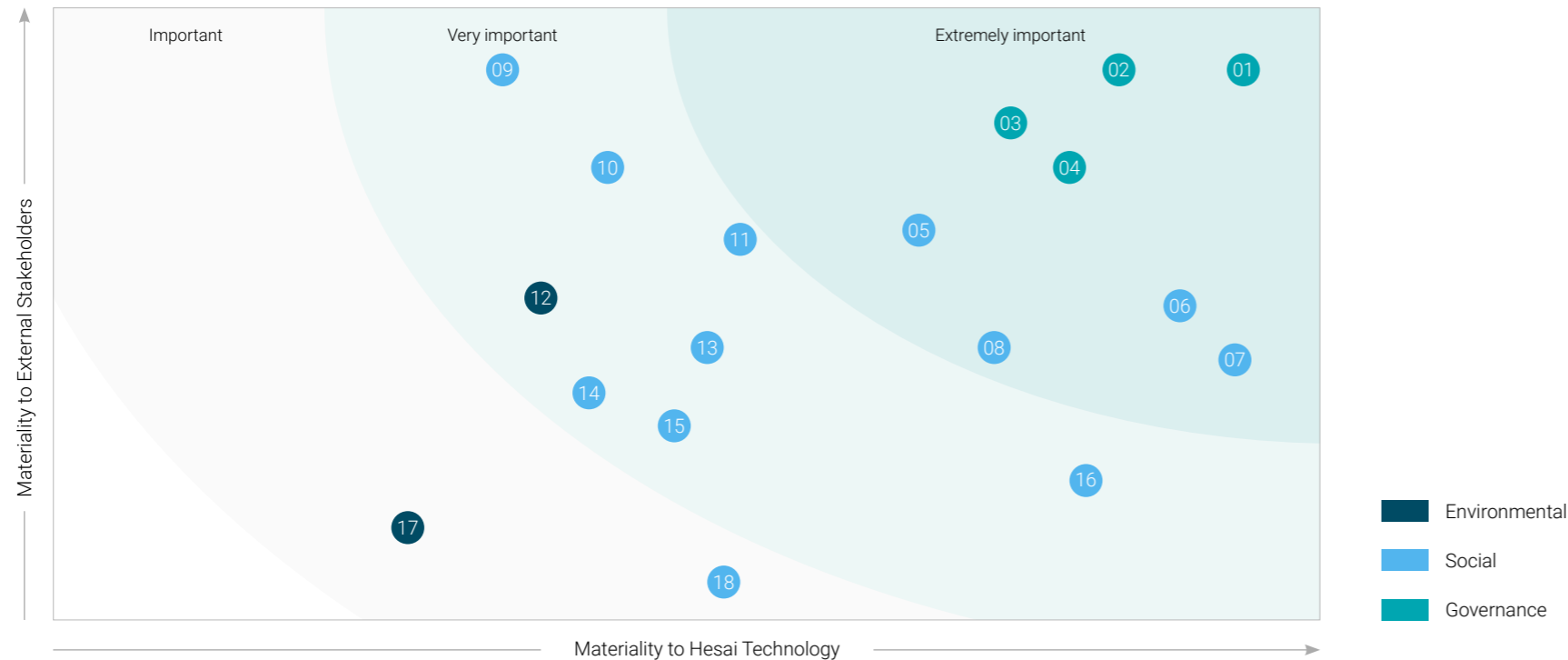
Hesai collected responses from internal and external stakeholders through interviews and online questionnaires. A total of 341 valid questionnaires were collected.

## Ranking

Hesai analyzed the research results and then ranked the issues by their materiality to both the Company and external stakeholders.

## Confirmation

Hesai formulated its ESG materiality matrix, taking into account guidance from the Company's governance level and expert input.



Materiality	Issue	Scope	Section of the Report
Extremely important	1 Compliance and risk management	Governance	Corporate Governance
	2 Business Ethics	Governance	Business Ethics
	3 Information security	Governance	Information Security
	4 Intellectual property	Governance	Intellectual Property
	5 Employee rights and interests	Social	Talent Attraction
	6 Product quality and safety	Social	Product Quality & Safety
	7 Empower traffic safety	Social	Innovation and R&D Development
	8 Technology innovation and R&D	Social	Innovation and R&D Development
Very important	9 Customer services	Social	Customer Services
	10 Occupational health and safety	Social	Health & Safety
	11 Talent attraction and retention	Social	Talent Attraction
	12 Waste and emission management	Environmental	Emission Management
	13 Supply chain management	Social	Supply Chain Management
	14 Talent cultivation	Social	Talent Cultivation
Important	15 Diversity and human rights protection	Social	Talent Attraction
	16 Industry engagement and leadership	Social	Building an Inclusive Industry Ecosystem
	17 Energy and resource management	Environmental	Sustainable Resource Utilization
	18 Social contribution and investment	Social	Philanthropy and Public Welfare

# 2.0

## Responsible Governance and Compliant Operations

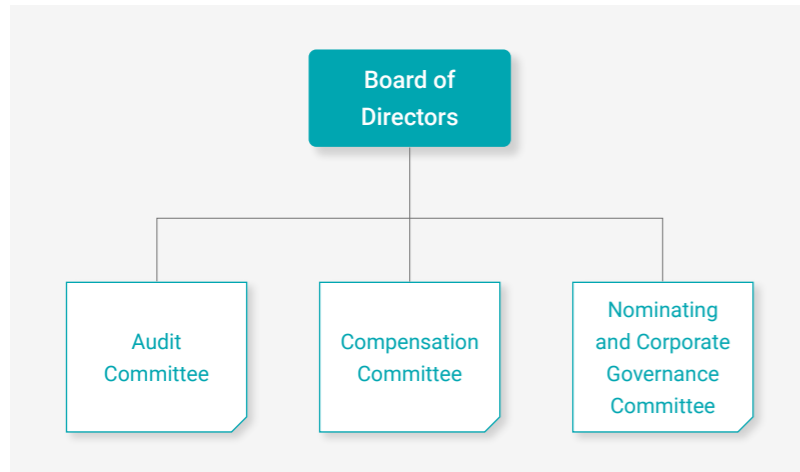
- Corporate Governance
- Business Ethics
- Information Security
- Intellectual Property

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



# Corporate Governance

Hesai strictly abides by the *Company Law of the People's Republic of China*, the *Listing Rules of the Nasdaq Stock Market* and other relevant laws and regulations. The Board is responsible for leading and overseeing the Company's operations, strategic decisions and performance. The Company's Board of Directors has established three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Detailed information regarding their functions and member profiles is available on the Company's Investor Relations website. Meanwhile, the Board recognizes the importance of diversity within its structure, encompassing factors such as gender, knowledge, skills and backgrounds, which are key for making well-rounded decisions.



**By the end of the Reporting Period**

The number of Board members<sup>2</sup>

**7**

Including independent directors

**2**

Female directors

**3**

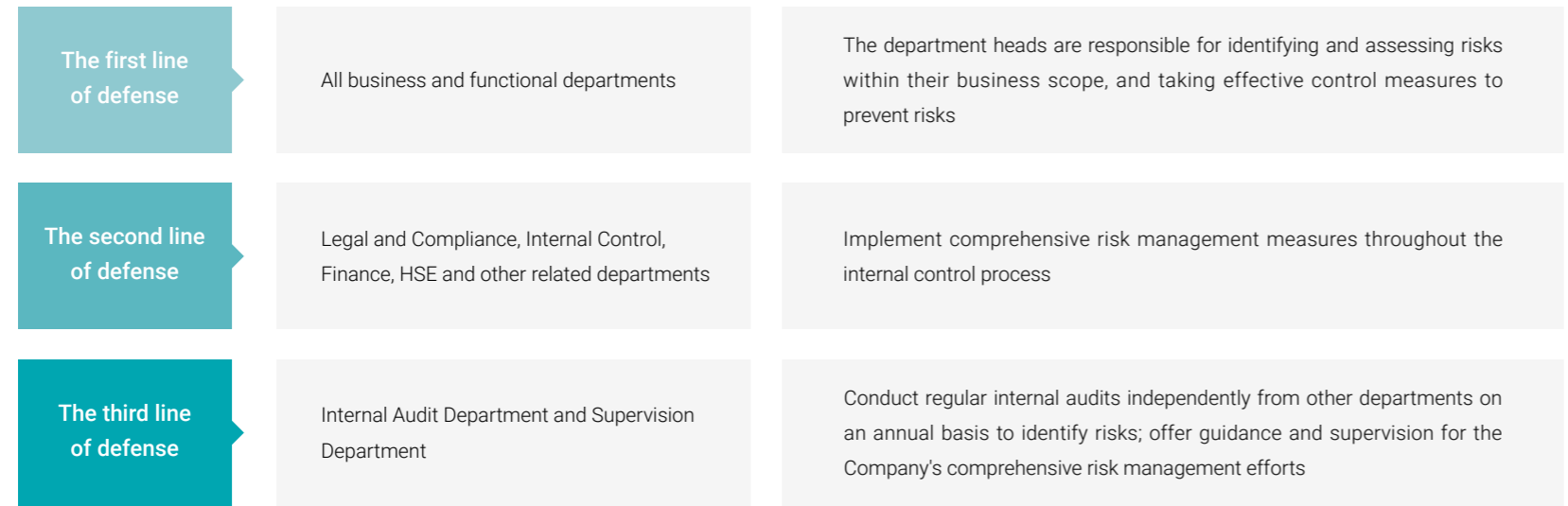
The proportion of female directors reached

**43 %**

<sup>2</sup> Mr. Louis T. Hsieh had resigned from his positions as the Global Chief Financial Officer (CFO) and Board Director on May 13, 2024. The latest composition of the Board in 2024 consists of 6 directors, including 2 independent directors, and 3 female directors. Female directors account for 50% of the Board.

# Risk Management

Hesai allocates risk management responsibilities based on the functions and roles of various departments and positions, strictly adhering to the three lines of defense in risk management and internal control, thus effectively preventing and investigating potential risks.



While enhancing the internal management mechanism centered around the three lines of defense, the Company also places significant emphasis on external oversight. Regular external audits are conducted, and the Company actively welcomes supervision from investors, customers, suppliers and regulatory agencies to ensure operational compliance.

In addition, the Supervision Department collaborates with the Internal Audit and Control Department to carry out off-office audits upon the departure of key personnel. These audits assess internal permissions, work-related data and documents, and the use of resources by such personnel, proactively managing potential compliance risks to the Company.



# Business Ethics

In accordance with the *Foreign Corrupt Practices Act*, the *Sarbanes-Oxley Act 2002* and other international regulations, Hesai has formulated internal compliance governance policies, including the *Code of Business Conduct and Ethics*, the *Anti-Corruption Compliance Policy*, the *Anti-Fraud and Whistleblowing Management Policy*, and the *Cash and Gifts Registration and Hand-in Management Policy*. These policies comprehensively address relevant acts and potential occurrences of corruption and bribery, including acceptance of third-party kickbacks, cash and gifts that could compromise impartial duty performance, as well as payments or contributions aimed at securing unfair business advantages. By the end of the Reporting Period, Hesai was not involved in any litigation pertaining to corruption or unfair competition.

## Whistleblowing Management

Hesai has formulated the *Anti-Fraud and Whistleblowing Management Policy*, outlining the process and designated departments responsible for managing whistleblowing cases. This policy serves as the basis for the whole whistleblowing process, from initial receipt to investigation, evidence collection, accountability and punishment. Currently, the Company offers the following channels for internal and external supervision.

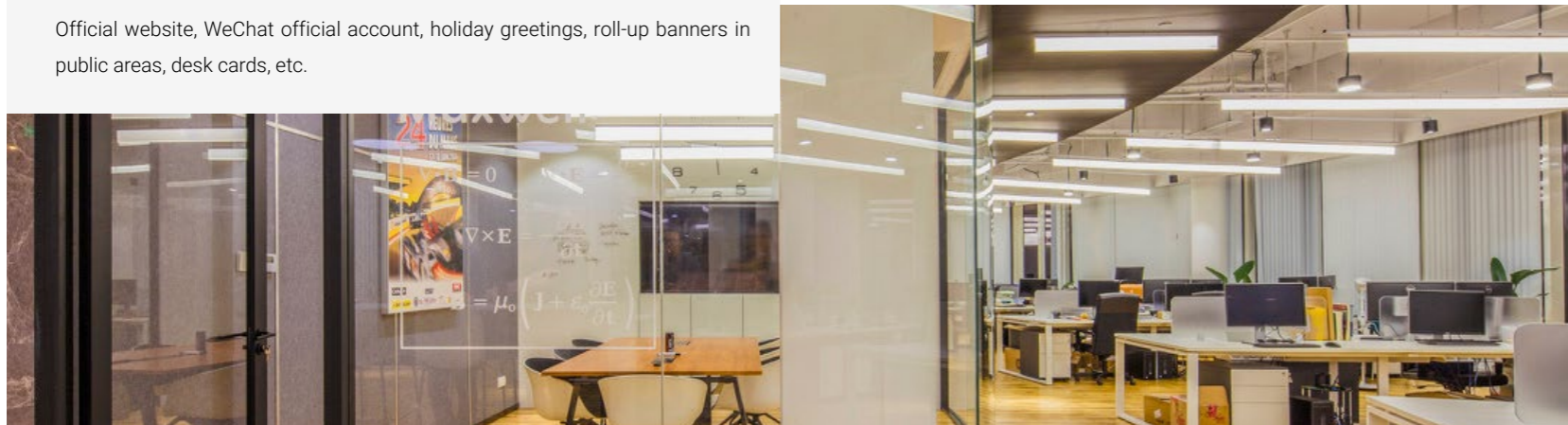
### Channels

Email, WeChat official account, and Feishu treehole

### Publication of the channels

Official website, WeChat official account, holiday greetings, roll-up banners in public areas, desk cards, etc.

Upon receiving a report, the Anti-Fraud Investigation Department verifies the details provided in the whistleblowing, in conjunction with feedback from relevant business departments. Upon confirmation of any violations, stringent actions are taken in line with the "zero tolerance" policy, ensuring accountability for both the individuals directly involved and their supervisors. The Company has also formulated a comprehensive set of measures to protect whistleblowers' personal information. Any intentional or negligent disclosure of whistleblowing materials will be held accountable, and any form of retaliation is strictly prohibited.



## Business Ethics Training

Hesai actively conducts online and offline business ethics training sessions for employees. Firmly dedicated to fostering heightened awareness, the Company is staunchly opposed to corruption and fraud and is committed to integrity in all of its business practices.

### During the Reporting Period

The Company's cumulative hours of business ethics training

1,379

Total number of participants in business ethics training

919

### Training on Procurement Integrity and Supplier Communication Guidelines

In 2023, the Supervision Department organized an offline training session focused on the critical aspects of procurement integrity and supplier communication guidelines. This training session meticulously outlined the non-negotiable bottom line of procurement activities, emphasizing its resolute stance against supplier collusion and commercial bribery, including practices such as quotation leaks, bidding rigging and catering to specific supplier demands.

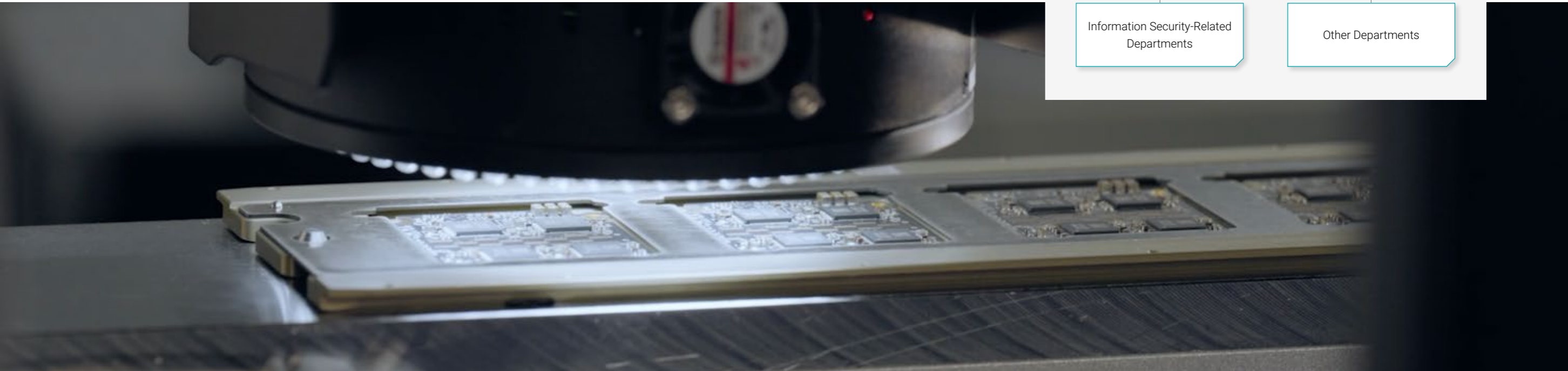
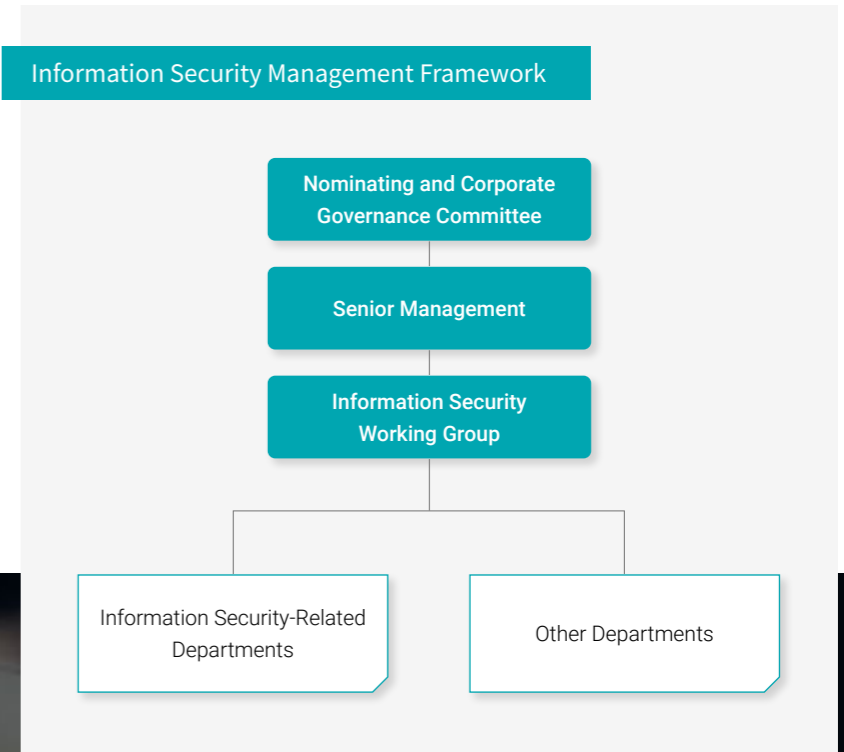
Throughout the training, the Company clarified the importance of steering clear of conflicts of interest in procurement operations. These included refraining from direct or indirect shareholding in suppliers and preventing the placement of relatives in key supplier positions. The training also specified the essential conduct to uphold during communication with suppliers to mitigate potential business ethics risks, such as declining gifts and avoiding lavish banquets. In addition, the training highlighted the significance of whistleblowing policies and insights into the available channels for reporting violations. This proactive approach aimed to familiarize employees with the internal protocols pertaining to whistleblowing, fostering a culture of accountability and encouraging individuals to report violations with confidence and transparency.

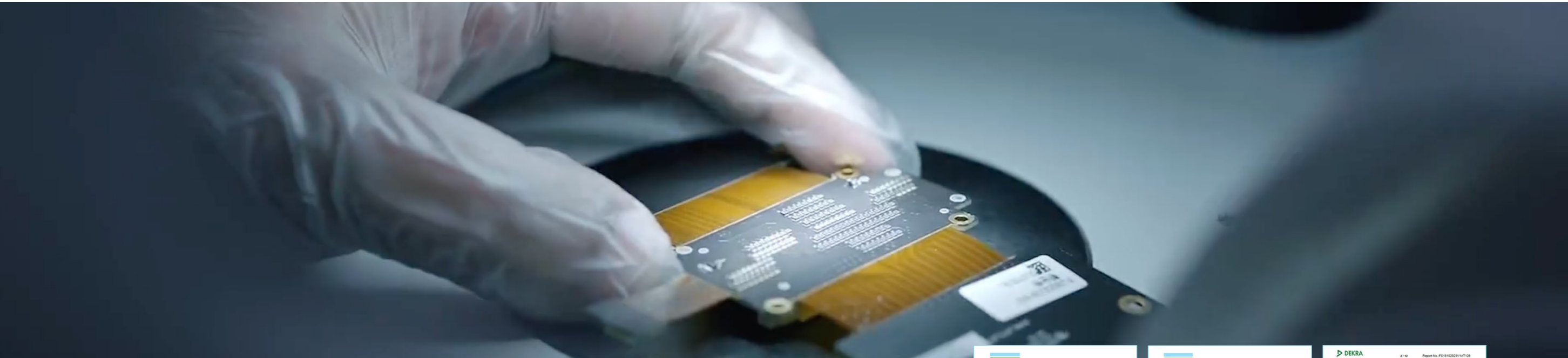
# Information Security

## Management Framework

Hesai upholds a robust system of accountability for information security across all employees. The Company has established a comprehensive information security management framework to standardize internal data management and safeguard user privacy. The Nominating and Corporate Governance Committee is responsible for overseeing the Company's information security risk management, reviewing progress in related work, and reviewing relevant disclosure materials. The senior management is responsible for assessing, identifying, and managing material risks from cybersecurity threats, monitoring the prevention, detection, mitigation, and remediation of major cybersecurity incidents, and regularly providing updates on related progress to the Nominating and Corporate Governance Committee.

In addition, the Company have established the Information Security Working Group, who is responsible for identifying and analyzing various information security risks, assessing vulnerabilities in systems and applications, and providing recommendations and solutions to address these vulnerabilities. In the event of an information security incident, the Information Security Working Group will promptly organize relevant personnel for internal assessment, response, and recovery according to the incident control process. If it is determined that the incident could potentially be a material cybersecurity event, the Information Security Working Group will promptly report the incident and assessment results to the Nominating and Corporate Governance Committee, senior management, and external legal counsel. The Information Security Working Group will prepare disclosure material on the cybersecurity incident for review and approval by the Nominating and Corporate Governance Committee or the Board of Directors.





# Information Security Management Policies

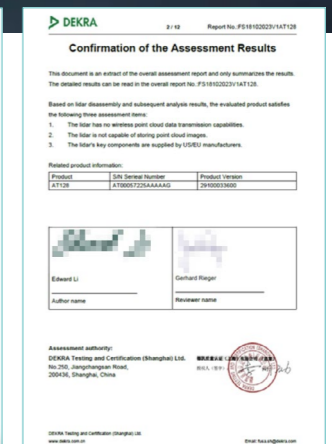
Hesai has formulated a hierarchical framework for information security management policies. The first level of this framework outlines overarching policies that all departments must strictly abide by in their daily operations. For example, the *Information Security Management Manual* serves as the highest-level directive, delineating objectives, principles and responsibilities regarding information security. The second-level policies provide employees with practical measures for managing information security, such as the *Access Management Procedure*, the *Correction and Prevention Control Procedure* and the *Computer Security Management Procedure*. These policies outline the procedures for handling potential information security incidents in daily operations. The third level folds in more targeted policies, such as the *Data Security Management Guide* and the *Mobile Device Management Code*. These policies offer specific instructions and requirements tailored to employees' practical needs. This hierarchical policy framework not only enhances the Company's compliance with information security management but also provides a basis for troubleshooting. Hesai Technology has attained the international top-level information security management system certification accredited by both UKAS and CNAS, and has reached the highest protection level (AL3) in the Trusted Information Security Assessment Exchange (TISAX) from TÜV Süd, the official authority of the European Network Exchange Association, meeting the highest standards of the European automotive industry. Its automotive LiDAR products have also undergone information security testing by DEKRA, the world's largest independent non-listed professional testing institution.



ISO/IEC 27001:2013 UKAS Certification



ISO/IEC 27001:2013 CNAS Certification



DEKRA Information Security Testing Certification



# Information Security Management Measures

Hesai implements a comprehensive information security management system encompassing incident prevention, emergency response and continual policy improvement processes.

## Incident prevention

### Technology-based management

- The Company regularly conducts vulnerability scanning and penetration testing for network and information systems, along with regular system updates and maintenance on production equipment, office tools and other operational assets. These measures are undertaken to safeguard the security and reliability of office software and operational equipment.

### Policy-based management

- The Company conducts routine office inspections to mitigate the risk of information leaks within the workplace. This includes ensuring the proper storage of confidential documents and maintaining blank whiteboards in meeting rooms.
- The Company conducts routine inspections of its data centers to ensure the availability of infrastructure. This involves verifying the temperature and humidity levels to meet standard requirements and ensuring that the equipment is not in an alarmed state.
- The Company manages information assets by level of confidentiality and carries out access management protocols. This includes strict access control, regular access reviews and ongoing risk assessment and monitoring to prevent data leaks.
- The Company takes continuity management measures for information storage, such as planning, backup procedures, heterogeneous storage solutions, high availability setups, emergency response plans and conducting emergency drills.

## Emergency response

### Technology-based management

- The Company has established detailed emergency response protocols to mitigate the adverse impact of security incidents. These protocols include the implementation of technology for suppression and recovery and thorough analysis following the incidents.

### Policy-based management

- The Company has a comprehensive emergency response process including procedures and measures such as monitoring the source of information security incidents, hierarchical reporting and timely disclosure of incidents.
- Through comprehensive management reviews, effectiveness evaluations, internal audits, and external customer audits of the information security system, the Company has refined its measures to prevent data leaks and promptly address security incidents, which further enhances the Company's information security management capabilities.

## Information Security Training

During the Reporting Period, the Company organized a series of online and offline information security training sessions for employees. As part of its onboarding process, new hires are required to take immediate information security training on their first day of employment, followed by completion and passing of an online information security course within one week of their hire. In addition, within the first month of their employment with Hesai, new hires are required to attend offline classroom training sessions. The Company regularly conducts online information security training for all employees, covering topics such as office security, data security, endpoint security, violation case studies, data interaction guidelines, email security, prototype protection code and safety requirements for prototype transportation.

During the Reporting Period, the Company conducted a number of specialized information security activities to fortify its defenses against information security vulnerabilities. These included quarterly phishing email drills and enhanced access card activity. Employees exhibiting low awareness levels are provided with targeted education or face penalties as necessary. In addition to regular and ad-hoc training sessions and targeted activities, the Company focuses on daily awareness efforts through various channels such as posters, desk cards, roll-up banners and comics, in order to disseminate information security awareness to all regions and all employees. In doing so, the Company aims to enhance employee information security proficiency and refine their ability to identify security risks. Ultimately, this proactive approach serves to prevent information leaks and mitigate accidental risks caused by human error at their origin.



## Individual Privacy Protection

Hesai strictly adheres to privacy policies to safeguard the personal information security of its users, including employees and customers. The Company is committed to minimizing the collection of personal information to only what is necessary and transparently communicates the purpose of data collection and usage to its employees and customers. Personal information is only gathered and utilized with a user's explicit consent, thus protecting each individual's legitimate right to awareness.

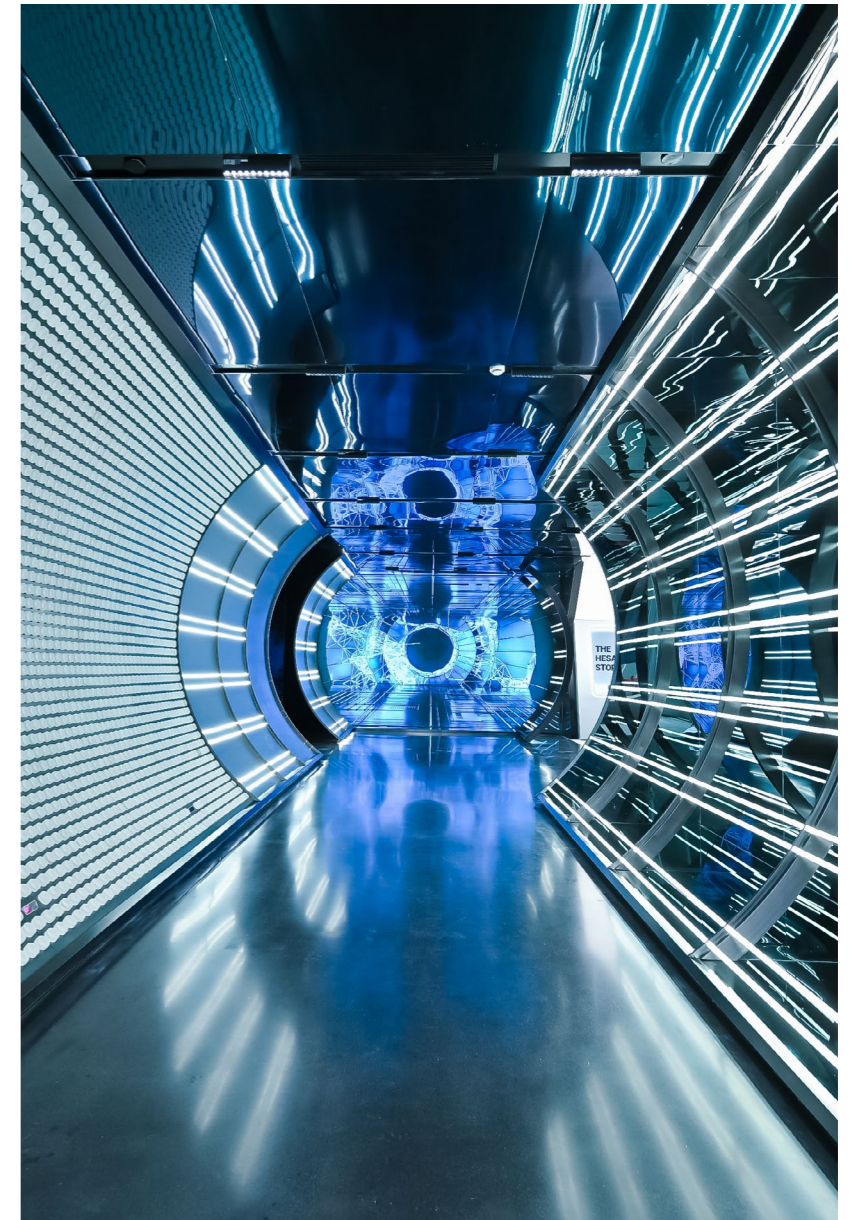
Furthermore, the Company employs encryption measures to secure users' private information, ensuring protection against unauthorized access and tampering during transmission and storage. Prior to public dissemination, all external materials of the Company must be approved by department heads to confirm that such materials do not contain any customer data or potentially sensitive information, thereby fortifying defenses against the improper use or disclosure of customer data. By the end of the Reporting Period, the Company had not received any complaints or reports concerning leaks of users' personal information.

## Data Security Protection

Hesai's LiDARs are designed with the highest level of security in mind. There is no storage mechanism to store even a second of image they see. Hesai's LiDARs are not capable of transmitting data wirelessly. They have no cellular connection, no Wi-Fi, and no Bluetooth. The only way for the LiDAR point cloud to be transferred out to the car is through a one-way secure cable, and all data is completely owned and controlled by our customers.

01 Four-panel Comics for Promoting Information Security Awareness

02 Information Security Awareness Roll-up Banners



# Intellectual Property

In accordance with the Patent Law, Trademark Law, and Copyright Law of the People's Republic of China, the U.S. Trademark Law and the Patent Laws and Regulations of the U.S., and other intellectual property (IP) protection laws and regulations, the Company has formulated and released its IP Manual. The Manual clarifies the Company's policy of leveraging IP protection to drive technological innovation and propel corporate development. Furthermore, it outlines the IP management system overseen by the Chief Scientist, to systematically standardize Company IP management practices.

## IP Management

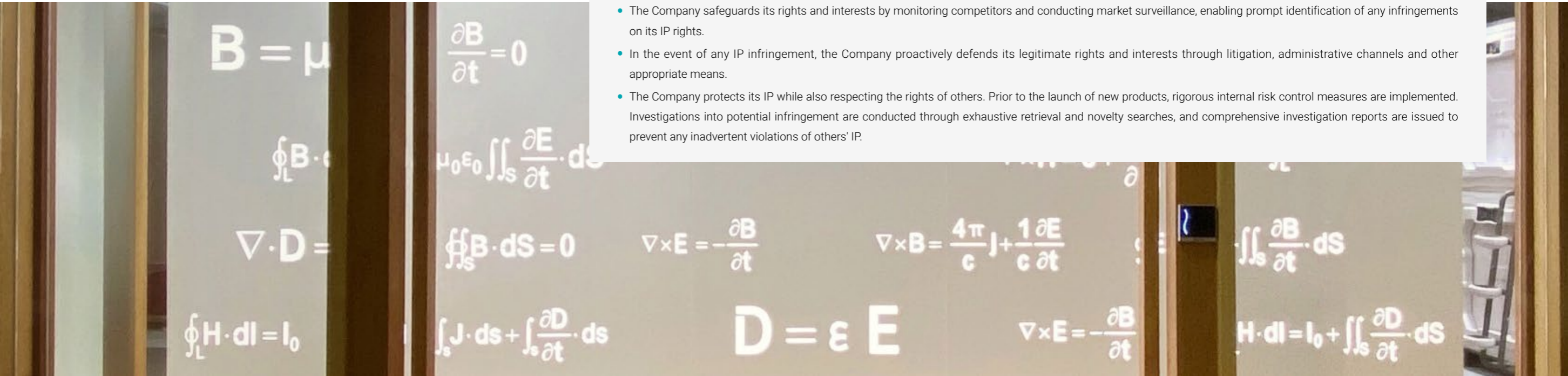
The Company has formulated comprehensive IP protection initiatives, and implemented protective measures with different emphases for different types of IP assets.

### For new IP

- The Company actively pursues legal protection for new IP through patent applications, trademark registrations, copyright filings, author's rights protections and other applicable measures.
- The Company asserts clear ownership of IP through provisions in employment contracts, onboard training and regular communications. These efforts delineate employees' responsibilities, rights and obligations regarding IP protection.
- Within the R&D Department, the Company requires engineers to diligently manage files and records resulting from R&D activities to ensure traceability and the timely protection of innovative IP.
- Upon resignation or retirement, employees involved in core IP are obligated to return all information, experimental data, equipment and samples to the Company. Additionally, they are required to sign a confidentiality agreement specifying IP ownership, non-competition clauses, as well as their responsibilities and the duration of confidentiality regarding the Company's business secrets.

### For existing IP

- The Company safeguards its rights and interests by monitoring competitors and conducting market surveillance, enabling prompt identification of any infringements on its IP rights.
- In the event of any IP infringement, the Company proactively defends its legitimate rights and interests through litigation, administrative channels and other appropriate means.
- The Company protects its IP while also respecting the rights of others. Prior to the launch of new products, rigorous internal risk control measures are implemented. Investigations into potential infringement are conducted through exhaustive retrieval and novelty searches, and comprehensive investigation reports are issued to prevent any inadvertent violations of others' IP.



## IP Incentives

The Company has formulated an *Inventor Incentive Policy* to foster a culture of continuous breakthroughs in IP innovation among R&D staff. This policy entails offering related rewards to inventors as recognition for their contributions. In addition, the Company actively promotes its IP-incentive policy internally, consistently communicating to employees the importance of innovation for its sustainable development. To gauge the effectiveness of these efforts, the Company evaluates the quantity of innovative IP before and after internal promotion, subsequently refining policies and incentives as necessary.

## IP Training

Hesai consistently reinforces IP protection concepts in employees' daily activities. Throughout the Reporting Period's cross-departmental R&D collaborations, the Company shared fundamental knowledge of IP litigation with members across various product project teams, highlighting key risk-avoidance strategies. This proactive approach assists project teams in mitigating IP disputes and ensures the smooth advancement of innovative projects.



# 3.0

## Technology Innovation and Pioneering Products

- Innovation and R&D Development
- Product Quality & Safety
- Customer Services



# Innovation and R&D Development

Continuous investment in R&D is essential for Hesai to cultivate robust technical prowess and realize rapid growth. To streamline product management across concept development, R&D, production, and after-sales service, the Company has introduced the "Hesai Product Development Process" (HPD). The Company begins during the R&D phase by formulating foundational technology development plans and conducting pre-research, continuously monitoring market conditions and LiDAR technology trends.

The Company then formulates specific product development plans based on market demand and the status of foundational technological reserves. Following this, in accordance with the product development plan, the Company undertakes tasks such as conceptual design, architectural design, subsystem design and testing, as well as prototype production and testing, ultimately culminating in product development.

Relying on industry-leading R&D investments, the Company has accumulated abundant research achievements across various facets of LiDAR, including general LiDAR systems, foundational LiDAR technologies, laser-based gas sensor technologies and ASIC technologies.

### By the end of the Reporting Period

The proportion of experienced engineers among total employees

~70%

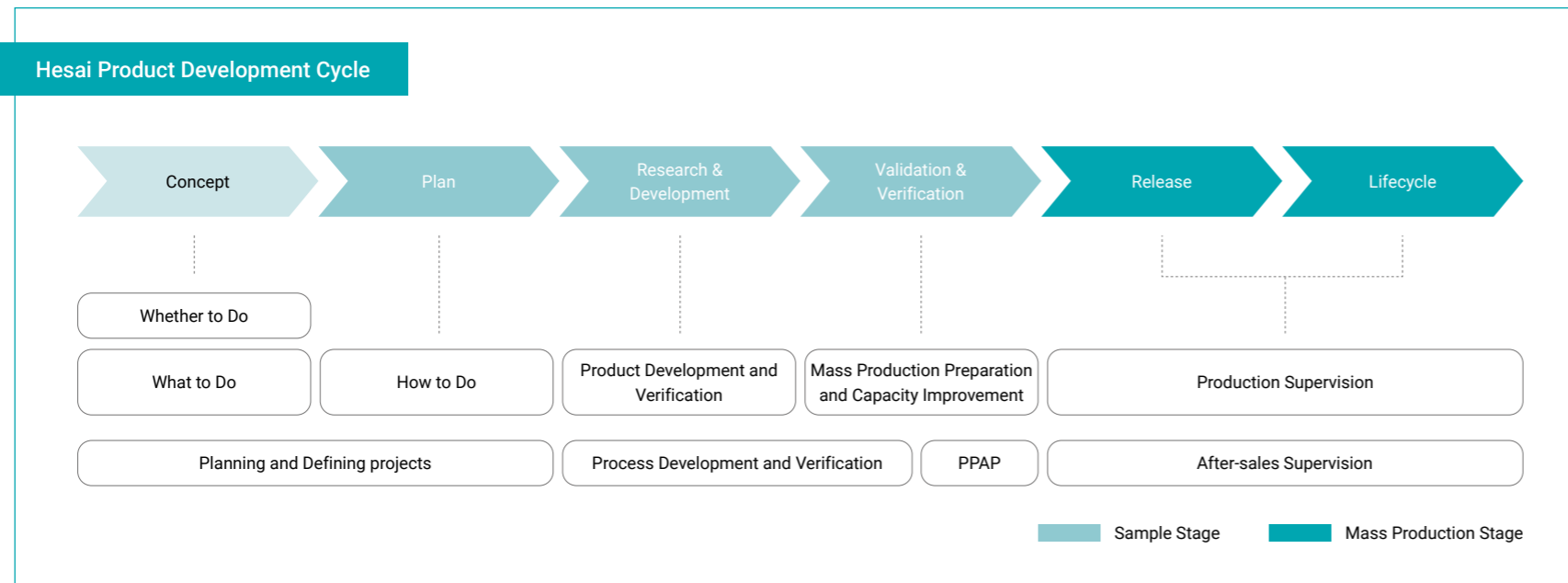
### ET25: an Ultra-Thin In-Cabin Long-Range LiDAR

On April 14, 2023, Hesai unveiled ET25, an ultra-thin in-cabin long-range LiDAR. Unlike conventional LiDAR products, ET25 is designed to be installed behind the windshield without requiring additional cleaning solutions. This innovative feature ensures the LiDAR's consistent visibility in various weather conditions.

Named for its small size, ET25 boasts a height of only 25mm, with "ET" standing for Extremely Thin. The compact design minimizes obstruction to the driver's field of vision, enhancing driving safety when installed behind the windshield while also maximizing in-cabin space. In comparison to traditional products, ET25 not only offers an ultra-thin form factor but also improves performance by adopting Hesai's new generation proprietary ASICs. The integration of these new components significantly improves the sensitivity of the receiving module, enabling ET25 to achieve an impressive detection range exceeding 250 meters. In addition, the noise level of ET25 is maintained at less than 25 dB, lower than the ambient noise level found in a quiet library.



ET25: an Ultra-Thin In-Cabin Long-Range LiDAR



# Product Quality & Safety

By harnessing its precise measurement of three-dimensional spatial distances, LiDAR significantly enhances the safety and comfort of smart driving solutions. Establishing a comprehensive quality and safety management system is essential for ensuring consistent quality and safety in LiDAR products. The Company strictly adheres to the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China* and local laws and regulations, as well as industry standards in regions where it operates. Throughout the product's life cycle, the Company also follows defined standards outlined in the HPD Process and the *Quality Manual* to enable standardized and comprehensive quality and safety management, thereby effectively mitigating risks. During the Reporting Period, there were no safety violations concerning products or services, and no product recalls were issued.

Hesai follows the highest standards of safety, security, and reliability. Throughout the product design phase, the Company adopts a "3-in-1" System Safety and Security philosophy and strictly integrate the safety measures of three standards into all LiDAR products: Functional Safety, Safety of the Intended Functionality (SOTIF), and Cybersecurity. As a leading manufacturer of automotive LiDAR solutions, the Company has obtained multiple international authoritative certifications in areas such as product quality management systems, functional safety and cybersecurity. This positions the Company as one of the most comprehensive LiDAR manufacturers globally in terms of quality and safety systems. The certifications obtained by the Company include, but are not limited to, ISO 9001 Quality Management System Certification, IATF 16949 Automotive Quality Management System Certification, ISO 26262 Functional Safety Certification. At the same time, Hesai is the first LiDAR company to have obtained the ISO/SAE 21434 certification for automotive cybersecurity management systems by the internationally authoritative institution TÜV Rheinland. The scope of relevant certifications covers our Company's production and office facilities. All of our Company's products fully adhere to Class 1 laser safety standards, ensuring no harm to human eyes or skin under all normal operating conditions.



ISO 9001 Quality Management System Certification



IATF 16949 Automotive Quality Management System Certification



ISO 26262 Functional Safety Management System Certification



ISO/SAE 21434 Automotive Cybersecurity Management System Certification

## The Company upholds the quality and safety standards of its products through the implementation of the following four key quality assurance measures:

### Policy and process

Specify testing and certification standards, including internal quality control, reliability testing, third-party eye safety certification and RoHS certification, to address potential quality and safety issues within the HPD Process. Conduct training sessions on product quality and safety for all relevant employees.

### ASIC-based approach

Reduce the number of discrete components by consolidating hundreds of modules into a single chip, thereby decreasing the likelihood of system failure attributable to a single component malfunction. This approach enhances product reliability and extends product lifespan.

### Highly automated in-house production line

Implement a vast array of intelligent industrial robots to automate more than 100 production processes, achieving an automation rate exceeding 90% across the entire production line. Mitigate defective product occurrences resulting from oversight by controlling key parameters in each process and implementing continuous process monitoring.

### Digital system's operation and management

Real-time monitoring and control of each production stage is accomplished by integrating MES, SAP, WMS, QMS and PLM digital management systems. This integration facilitates issue tracking, precise localization and immediate management, effectively minimizing the occurrence of defective products.

## Customer Services

Hesai has established the *Customer Quality Management Process*, the *RMA Management Process* and the *Customer Satisfaction Management Process*. Adhering to these policies allows the Company to meticulously analyze customer feedback, address product and service-related issues promptly and make necessary improvements. This proactive approach enhances customer satisfaction levels.

## Complaint Handling

The Company adopts the "8D Process" to address customer complaints about product quality. The Company has also set clear response time rules for both OKM Quality Issues (occurring after OEMs receive products but before delivery to end consumers) and Warranty Quality Issues (arising after products are delivered to end consumers).

Response time rules	OKM Issue	Warranty Issue
D1: Establish the team D2: Describe the problem D3: Implement interim containment actions	Within 24 hours	Within 48 hours
D4: Identify root causes	Within 3 days	Within 5 days
D5: Develop permanent corrective actions D6: Implement and verify permanent corrective actions D7: Implement preventive measures	Within 10 to 15 days	Within 20 to 25 days
D8: Conduct review	Within 3 days	Within 5 days

A failure analysis team, constituting employees from the electronics, optics, mechanics, firmware, factory, reliability laboratories and other relevant departments, has been established to conduct thorough investigations. This team operates within an escalation framework, ensuring the implementation of corrective measures, updating of standardized documentation, monitoring the effectiveness of measures taken, and communicating progress and findings to clients.

### During the Reporting Period

The Company's resolved rate of customer complaints

100 %

## Customer Satisfaction

Hesai conducts annual customer satisfaction surveys, where customers are invited to provide ratings on key aspects, including product performance and quality, technical support, after-sales service and logistics and delivery. Should the overall score be below 90, or if any individual score is  $\leq 3$  (5-point scale), the Company proactively communicates with the customer within 3 working days of receiving the completed survey. This engagement helps us thoroughly comprehend the situation by gathering and consolidating key points of customer dissatisfaction. If the customer feedback is deemed valid, improvement plans are promptly made, with their effectiveness verified in the subsequent quarter.

### During the Reporting Period

The Company's customer satisfaction rate

>90 %



# 4.0

## Collaborating for Mutual Gain

- Supply Chain Management
- Building an Inclusive Industry Ecosystem



# Supply Chain Management

Hesai strictly adheres to the *Bidding Law of the People's Republic of China* and other local laws and regulations in regions where the Company operates. Within the Company, robust internal management policies are in place, including the *Supplier Development and Management Control Procedures* and the *Supplier Quality Management Control Procedures*. These systems integrate stringent management processes in supplier screening, admission assessment, performance evaluation and communication, thereby ensuring comprehensive management oversight throughout the supply chain.

## By the end of the Reporting Period

Total number of suppliers

374<sup>3</sup>

## Supplier Admittance

In accordance with established internal procedures, such as the *Supplier Development and Management Control Procedures* and the *Supplier Quality Management Control Procedures*, the Company conducts comprehensive evaluations and audits of potential suppliers across various dimensions. These assessments include company credibility, quality performance, technical capabilities, production capacity, service capabilities and business continuity planning. Priority is given to establishing partnerships with suppliers certified by internationally recognized standards, with ISO 9001 certification being the minimum requirement. Suppliers in the automotive category are expected to maintain a quality management system in compliance with IATF 16949, emphasizing efficiency, continuous improvement and zero defects.

The Company also integrates considerations of supplier environmental and social performance into the admission process, favoring suppliers with ISO 14001 environmental management system certification.

While ensuring product performance and safety, mechanical and optical component suppliers are permitted to utilize recycled materials to a certain extent. Furthermore, the Company explicitly outlines in its *General Terms and Conditions of Purchase* that suppliers must strictly comply with all applicable laws and regulations related to the prohibition of child labor and forced labor, labor rights protection, occupational health and safety, information security, business ethics and environmental safety. Suppliers are expected to uphold their corporate social responsibilities and environmental obligations. Additionally, the Company requires all suppliers to sign a *Statement of Compliance*, thereby obligating them to comply with the Company's anti-corruption and anti-bribery policies.

## Daily Supplier Management

For registered suppliers, the Company conducts quarterly assessments of supplier performance, evaluating various aspects such as product quality, delivery, service and information security. Based on these assessments, suppliers are categorized into three levels: green, yellow and red, representing their performance scores for hierarchical management purposes. Green-level suppliers meet our requirements. Yellow-level suppliers receive collaborative support from the Company to identify and address issues, ensuring prompt problem resolution and facilitating mutual learning. Red-level suppliers undergo on-site rectification processes, with progress closely monitored until all corrective actions are successfully implemented. Suppliers receiving a red-level rating for three consecutive assessments face removal from the supplier list. Additionally, annual on-site audits of the quality management system are conducted to ensure the effective operation of suppliers' quality management systems.

In addition to routine performance assessments and audits, the Company conducts weekly reviews of supplier delivery plans to proactively identify potential delivery disruptions, including environmental and social risks. Should any supply issues arise, the Company promptly implements emergency plans to ensure continuity of operations.

The Company promotes conflict minerals management among its suppliers. By reviewing the conflict minerals reports, the Company ensures that the products supplied do not directly or indirectly contribute to armed conflicts or other inhumane activities.

<sup>3</sup> The number of suppliers includes the total number of direct procurement suppliers in the supplier database.

# Building an Inclusive Industry Ecosystem

Hesai actively participates in automotive industry expos and intelligent industry summit forums, providing smart transformation solutions to industry stakeholders. By fostering partnerships and leveraging high-performance products, the Company aims to create enhanced travel experiences by making transportation smarter and safer. The Company also collaborates closely with universities, leveraging research and development capabilities and talent advantages to drive technological advancements in the LiDAR industry.

## Unveiling High-Performance Automotive LiDAR Sensors at IAA MOBILITY 2023

From September 5-10, 2023, Hesai showcased a range of high-performance LiDAR solutions at IAA MOBILITY 2023. The event served as a platform for exploring intelligent driving and sustainable mobility solutions. Among the highlights was the European debut of the Company's ultra-high resolution long-range LiDAR AT128. Its introduction marked a significant milestone, as it now empowers various mass-produced vehicles, including Lotus Eletre, for overseas sales across multiple countries. Additionally, the Company announced a strategic collaboration with Webasto, a leading global automotive supplier specializing in roof systems, to integrate high-performance automotive LiDAR into Webasto's roof sensor modules designed for ADAS-enabled mass-produced vehicles. This partnership signifies a forward-looking alliance poised for further evolution in the automotive industry.

Hesai's Booth at IAA MOBILITY 2023



## Hesai Debuted Fully Solid-State LiDAR FT120 at CES 2023

On January 5, 2023, Hesai debuted its new fully solid-state LiDAR, the FT120, at CES 2023. Designed as a near-range blind spot detection sensor for ADAS, the FT120 features an ultra-wide field of view (FOV) that enables vehicles to effectively detect small objects during maneuvers such as turning, passing, and parking. Paired with Hesai's ultra-high resolution long-range LiDAR, the AT128, these two sensors together constitute a robust automotive-grade LiDAR perception solution, ensuring comprehensive coverage and improving driving safety across a wide range of scenarios.

Hesai's Booth at CES 2023

# 5.0

## Nurturing Employees, Fostering Shared Growth

- Talent Attraction
- Talent Cultivation
- Health & Safety
- Employee Care



## Talent Attraction

Hesai strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other related laws and regulations and has formulated a number of talent recruitment and management policies, including an *Employee Manual* and *Recruitment Procedures*. The Company also places a strong emphasis on talent attraction, actively fostering partnerships with top universities through school-enterprise collaborations. By the end of the Reporting Period, the Company had organized 12 campus recruitment events and conducted multiple online recruitment initiatives, spanning renowned institutions such as Tsinghua University, Fudan University, Shanghai Jiao Tong University and others. The Company also proactively communicated its recruitment schedule via its official WeChat account, streamlining the process for prospective candidates. In addition, during the Reporting Period, Hesai launched a dedicated internal referral program for its ASIC research team, aimed at bolstering its R&D and manufacturing team by attracting additional exceptional talent. Through its multifaceted approach to recruitment, Hesai has successfully attracted a lineup of top professionals, creating a diversified and highly skilled talent pool.

## Equality and Diversity

Hesai upholds and safeguards the legal rights and interests of its employees as a top priority. The Company strictly prohibits the employment of child labor and forced labor, ensures equal pay for equal work, and fosters a fair and equitable working environment. To reinforce these principles, the Company has formulated the *Hesai Employee Code of Conduct*, which mandates appropriate behavior among all employees. This code prohibits any form of discrimination based on factors such as race, color, nationality, religion, gender, or health conditions. It also guarantees equal opportunities for recruitment, hiring, training and promotion.

Additionally, the code unequivocally condemns workplace harassment in all its forms. The Company will impose stringent disciplinary measures on any employee found engaging in such behavior.

In addition, the Company actively encourages employees to report instances of discrimination or harassment through various channels, including an anonymous reporting channel, the HR Help email, or by contacting HR Business Partners. The Company pledges prompt investigation and decisive action upon verification of any reported violations.

### By the end of the Reporting Period

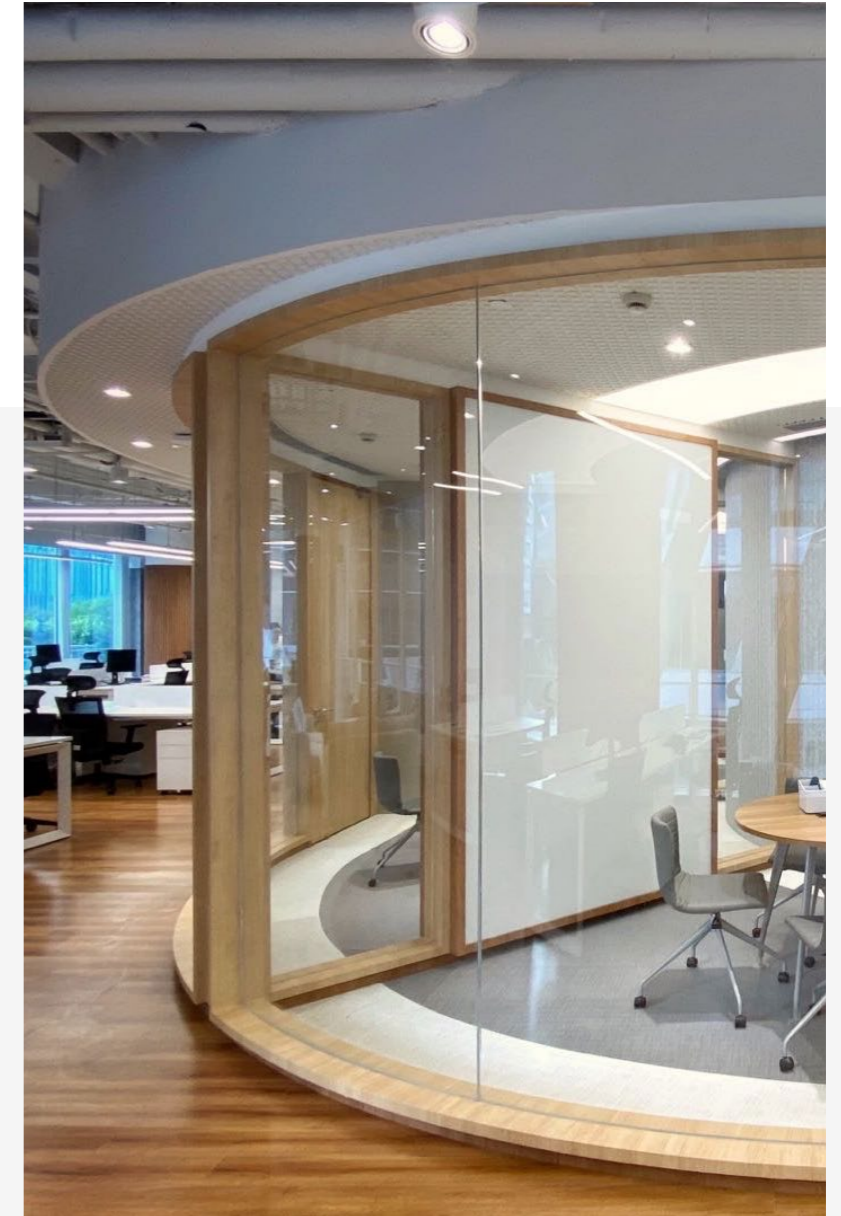
The Company had **1,122** employees

Came from **10** countries and regions around the world

## Compensation and Benefits

Hesai has established a comprehensive compensation and performance system. In addition to basic salary, employees are eligible for performance incentives and internal referral rewards. Salary adjustments take into account evaluation results of annual performance, job position and assessment outcomes. By fostering a fair and equitable salary system, the Company motivates employees to continuously improve their performance, thereby facilitating concurrent growth in capabilities and compensation. Moreover, option incentives are granted to employees to further strengthen the merit-based value evaluation and incentive mechanism. This approach aligns individual performance with the Company's overall success, effectively rewarding employees for their contributions.

In addition to its compensation system, the Company is committed to enhancing employee satisfaction as part of its mission. It provides employees with a comprehensive welfare system that includes social insurance, housing funds, parental leave and supplementary commercial insurance to meet employees' fundamental needs.



# Talent Cultivation

Hesai places significant importance on enhancing employees' personal skills and fostering their career development. To achieve this, the Company provides its employees with abundant training resources and maintains a transparent system for development and promotion opportunities.

## Employee Training

Hesai has established policies such as the *Training Control Procedures* and the *Management System for Mentors*. On an annual basis, the Company formulates training system planning tailored to the needs of all management levels in conjunction with business development needs. The Company conducts thorough research and analysis to identify overall development needs, department-specific position needs, and individual employee needs. Based on these findings, targeted training programs are developed, covering a range of areas such as new employee onboarding, position-specific professional skills, national mandatory training, general training and special training.

By offering a range of training courses and implementing a mentoring system, Hesai actively helps employees acquire the necessary knowledge and skills to excel in their respective roles. In addition, Hesai fosters a culture of independent learning by encouraging employees to create and share high-quality learning resources voluntarily.

By the end of the Reporting Period the employee training coverage rate

**100** %

### Financial Acumen and Business Decision-making Training

During the Reporting Period, Hesai conducted a two-day training program focused on business decision-making and financial management for non-financial managers, aiming to equip employees with a deeper understanding of business operations from a financial perspective.

Utilizing sand table simulations, this training provided participants with an immersive experience in budget preparation, analysis of three major financial statements, interpretation of key financial ratios, assessment of an enterprise's financial health, as well as strategies for mitigating financial risks. Following these, Hesai facilitated discussions and knowledge-sharing sessions and provided instructor feedback to further enhance participants' comprehension of financial concepts. Through this training initiative, employees gained valuable insights into assessing an enterprise's operational efficiency and financial standing, as well as analyzing business activities with a strategic CEO mindset.



Financial Acumen and Business Decision-making Training

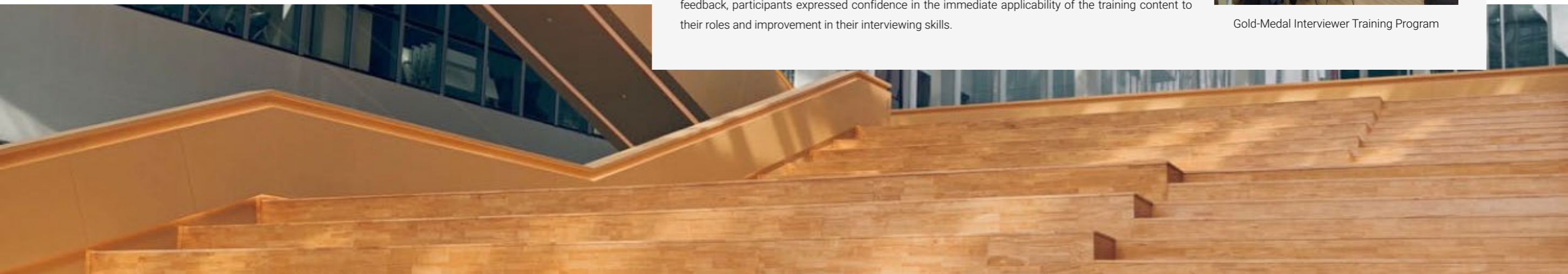
### Gold-Medal Interviewer Training Program

To improve candidates' satisfaction during interviews and bolster the Company's brand image in the talent market, Hesai organized a comprehensive Gold-Medal Interviewer Training Program for interviewers and HR Department staff. The training explained Hesai's competency-based criteria to interviewers, trained interviewers on interview techniques, and conducted mock job interviews to reinforce learning.

A total of 33 interviewers and HR Department staff attended this training initiative. Based on their feedback, participants expressed confidence in the immediate applicability of the training content to their roles and improvement in their interviewing skills.



Gold-Medal Interviewer Training Program





## Employee Development

Hesai has implemented policies such as the *Worker Performance Assessment Measures*, the *Employee Reward Management Measures* and the *Hesai Performance Evaluation Rules* following the principle of "performance-based incentives." These policies aim to evaluate employees' performance based on their work achievements, providing an objective and factual basis for promotion assessments and preventing personal or subjective biases from influencing evaluations.

The Company conducts performance evaluations semi-annually. Criteria for employee promotion include work performance, adherence to organizational values, work methodologies and managerial competencies. In addition, the Company has formulated the *Hesai Job Grade Evaluation Guideline* for promotions, outlining the grade appraisal arrangement, eligibility criteria, application procedures and evaluation process to ensure transparency and fairness within the promotion system.

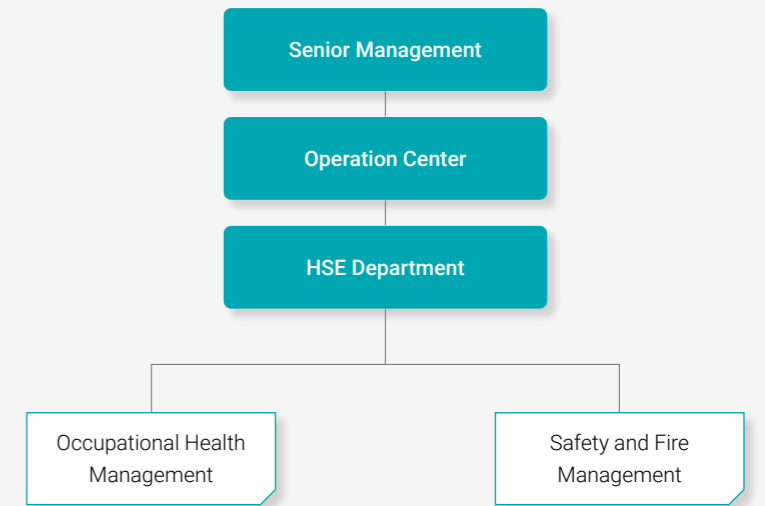
# Health & Safety

## Health & Safety Governance

The Company strictly adheres to the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China* and other applicable laws and regulations. It has established a dedicated HSE department, with designated personnel responsible for establishing and implementing the Company's occupational health, safety and fire management system.

Upholding a "people-oriented, life-first" philosophy, the Company has formulated and implemented 27 management systems, including the *Occupational Health and Safety Management Procedure*, the *Hidden Hazard Investigation and Management System* and the *High-Risk Operation Safety Management System*. These systems are integrated into all R&D and production processes, with a commitment to HSE policies. Additionally, the Company has obtained ISO 45001 Occupational Health and Safety Management System Certification.

### Health and Safety Governance Structure





# Health and Safety Measures

The Company implements standardized management procedures and the following measures to minimize the occurrence of accidents and injuries, thereby comprehensively ensuring the health and safety of employees:



## Risk Assessment

The Company conducts regular workplace risk assessments to identify potential hazards and risk factors. Through the assessments, appropriate measures are taken to mitigate or eliminate these risks, ensuring the safety of the Company's employees.

## Safety Training

Safety training and education for all employees is paramount. Hesai has developed a comprehensive occupational safety and health training and education program. Additionally, active employee participation is encouraged to foster awareness of workplace safety regulations and operational protocols among all staff members.

## Safety Facilities

The Company provides appropriate safety facilities and equipment to safeguard employees entering hazardous areas. These include explosion-proof cabinets for hazardous chemicals, safety interlocking devices, emergency stop buttons, safety alarm systems, personal protective equipment, emergency evacuation facilities, fire alarm systems and more.

## Work Permit

The Company implements a permit system for contractors and high-risk work and has established an online work approval process. Additionally, on-site supervisors are appointed to ensure safety on the worksite.

## Health Check

The Company performs regular health checks, including physical examinations and occupational disease screenings, to uphold employees' well-being. Any identified health concerns prompt immediate measures to protect employees' health.

## Emergency Response

The Company has established a comprehensive emergency plan and emergency supplies warehouse to respond to emergencies and contingencies. The plan includes accident risk assessments, emergency resources evaluations, organizational protocols, warning and information reporting, and emergency response procedures. The Company completes the filling and promotional work, and regularly carries out drills to ensure employees are well-versed in safety procedures in the case of emergencies.

## Continuous Improvement

The Company regularly reviews and improves its occupational safety and health management measures. Actively soliciting feedback and suggestions, the Company continuously improves its management standards and the effectiveness of its measures to adapt to evolving risks and challenges.

**By the end of the Reporting Period**

The number of times the Company had conducted safety inspections, including those led by enterprise leaders, on major holidays, special electromechanical inspections, and daily safety checks by management personnel surpassed

**400**

Work-related deaths

**0**

Serious work-related injuries

**0**

Occupational diseases

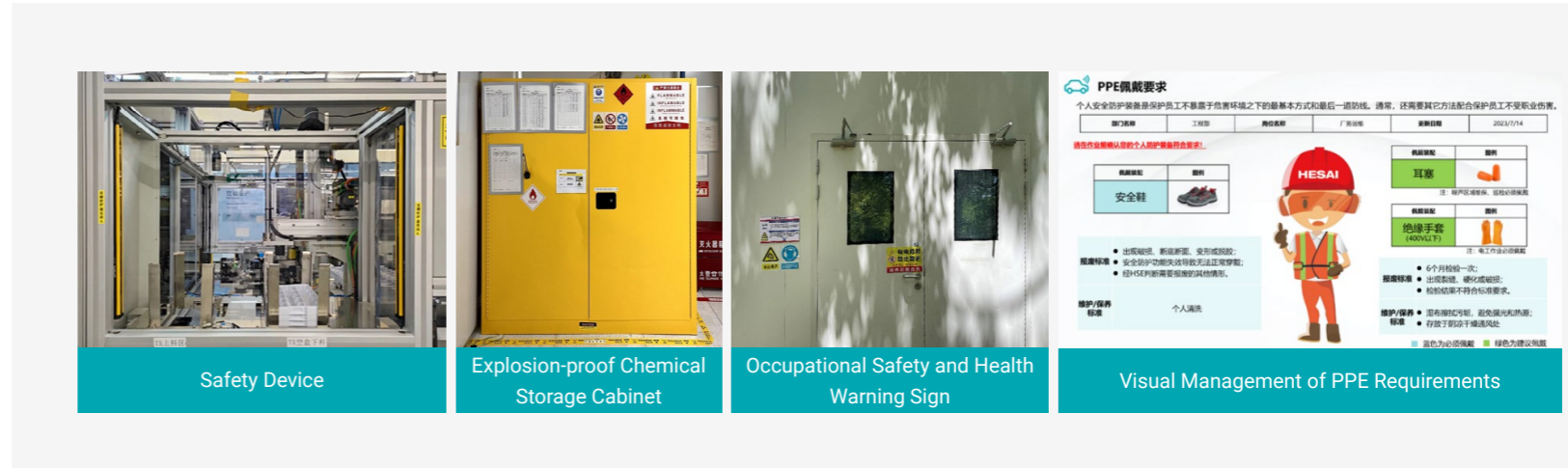
**0**

The correction rate of safety hazard

**100** %

Health examination coverage rate

**100** %



Safety Device



Explosion-proof Chemical Storage Cabinet



Occupational Safety and Health Warning Sign



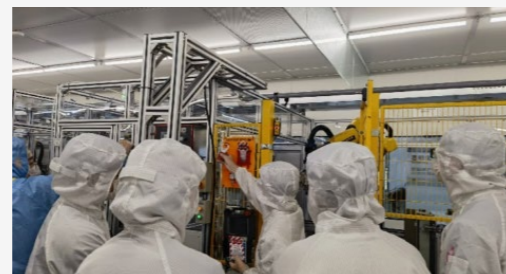
Visual Management of PPE Requirements

**Building a Culture of Safety**

The Company prioritizes embedding safety within its organization and culture. Through various activities such as three-tier safety education for new employees, first aid training, fire drills, safety month quizzes and the operation of an online safety culture platform, the Company aims to foster an environment where everyone actively participates in safety practices. Our goal is to shift the mindset from "Safety is someone else's responsibility" to "I take ownership of safety" and "I am knowledgeable about safety."

**Safety education and training**

To proactively prevent and mitigate safety incidents, Hesai actively carries out safety education and training.



Specialized Lockout/Tagout Training



First Aid Training

**During the Reporting Period**

The number of times the Company organized training sessions focusing on occupational safety and health

**88**

Cumulative health and safety training hours

**6,053**

The coverage rate of safety education program and rate of employment with certificate

**100** %

Covering specific topics

**27**

Health and safety training participants

**2,684**

The coverage of signing a safety target responsibility letter

**100** %

### Safety Activities

During the Reporting Period, the Company conducted fire evacuation drills across all its facilities, requiring all employees to participate. The fire drills involved guiding employees through rehearsed evacuation routes and providing practical training in the proper use of fire extinguishers and hoses. Such practical exercises ensured effective coordination and familiarized personnel with the available resources in the event of a fire.



Fire Drills at Facilities

During the Reporting Period, Hesai carried out "Safety Production Month" activities, including hidden hazard inspections, safety knowledge competitions, emergency drills and specialized HSE training. These activities enhanced employee safety awareness and promoted safety knowledge, aiming to familiarize and equip every employee with safety recognition and emergency response skills in the event of an emergency.

During the Reporting Period  
The coverage rate of the facilities  
holding emergency drills

100%



Safety Production Month Activity

### Safety Promotion

Hesai enhances employee safety awareness through ongoing daily publicity efforts. Specialized safety classrooms have been established, and safety-related articles are regularly updated on the official Hesai HSE account. Regularly highlighting safety promotes in-depth safety knowledge education from senior management to frontline employees, cultivating a culture of heightened safety awareness at every level of the organization.



Specialized Safety Classroom



Hesai HSE Official Account

# Employee Care

The Company prioritizes the well-being of its employees by providing comprehensive benefits and organizing a wide variety of activities to enhance employees' sense of satisfaction, belonging and happiness within the workplace.

## Hesai's 9<sup>th</sup> Anniversary Celebration

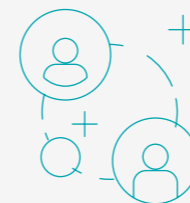
Hesai hosted a garden party to celebrate its 9th anniversary. An array of activities, including the Maxwell Basketball Game and Plank Challenge, were organized to promote physical fitness and well-being among employees.



9<sup>th</sup> Anniversary Celebration

## Chinese Valentine's Day Celebration

Hesai organized a wide variety of social activities on Chinese Valentine's Day, accompanied by snacks and beverages and a friendly environment for employees to enjoy and interact.



Chinese Valentine's Day Activities

# 6.0

## Low-Carbon Operations and Green Development

- Environment Management
- Sustainable Resource Utilization
- Emission Management
- Tackling Climate Change



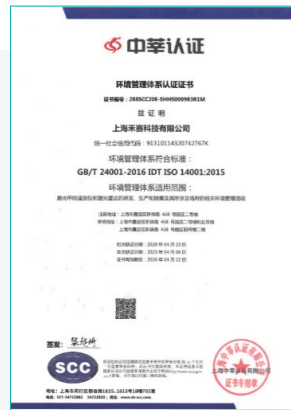
# Environmental Management

In compliance with the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations, the Company has established an internal management and supervision mechanism for environmental protection. It formulated regulations and policies such as the *Management Procedure for Identification and Evaluation of Environmental Factors* and the *Operational Control Procedure for Environmental Management*, which are reviewed and updated regularly. The Company's environmental management systems hold ISO 14001 certification and are subject to annual supervision and review by third-party professional organizations to ensure compliance and effectiveness.

To foster an environmentally conscious culture, Hesai places environmental brochures throughout its operational sites and arranges regular staff training sessions. The Company ensures that its employees are well-informed about environmental laws and regulations and introduces them to the Company's environmental management systems to raise employees' environmental awareness and equip them with relevant knowledge and skills. During the Reporting Period, Hesai provided comprehensive guidance and training on the ISO 14001 system to department heads, enabling them to fully grasp the requirements for establishing an environmental management system and a solid command of environmental risk assessment methods. In addition, the Company conducted special training sessions on environmental protection knowledge to clarify environmental-related policies and guidelines and requirements of environmental protection supervision for personnel involved in environmental management.



Guidance and Training on ISO 14001 System



ISO 14001 Environment Management System Certificates



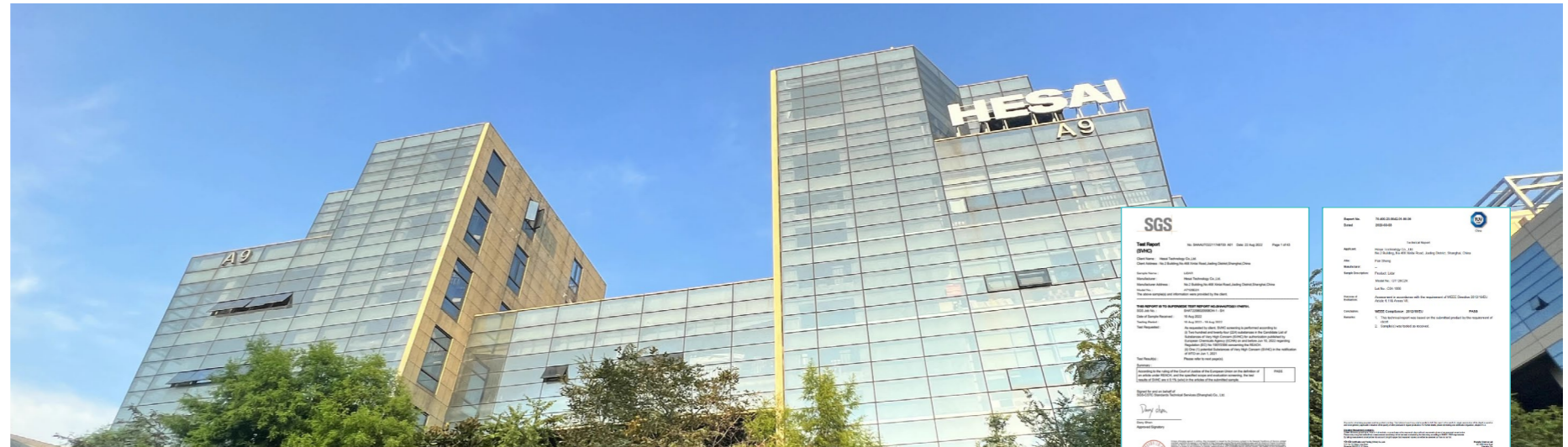
# Sustainable Resource Utilization

The Company strictly adheres to the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations. Hesai is committed to improving energy efficiency through robust energy management initiatives. The Company has an energy management system in the factory to monitor energy consumption in real time. It applies a building automation system to centralize the management of energy-consuming equipment such as production equipment, fans, pumps, air conditioning systems and lighting fixtures. By collecting data on actual energy consumption from terminal sensors, the Company optimizes distribution on demand, thereby enhancing energy efficiency.

In addition, Hesai integrates renewable energy sources and has installed thermal energy storage facilities on the roof of its factory, which can convert solar energy to thermal energy for equipment operation. Solar-powered streetlights within the factory further augment the energy supply in response to sunlight conditions. Primarily reliant on electricity, during the Reporting Period, the Company's total electricity consumption, including purchased and self-generated electricity, was 22,161.73 MWh.



Thermal Energy Storage Facilities on Factory Roof



REACH Certificate

ELV Certificate

The Company prudently manages water resources throughout its production and operations. Utilizing a rainwater collection system installed at the factory, the Company collects rainwater runoff from building roofs and road surfaces. This harvested rainwater undergoes purification and is then utilized for afforestation irrigation and site flushing within the factory, effectively reducing reliance on tap water. During the Reporting Period, the Company's water consumption was 70,955 tonnes, and wastewater discharge was 56,764 tonnes.

The Company remains steadfast in its commitment to sustainable practices, with its products obtaining various environmental certifications, including the EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Certificate and the ELV (End-of-Life Vehicles) Certificate. The Company actively applies environmentally friendly materials in product design, for example, considering the use of recycled aluminum ADC12 in the design of components such as the base and cover of the LiDAR products. The Company also utilizes renewable materials in product packaging. During the Reporting Period, 16% of the raw materials used were renewable or recyclable, and the Company used a total of 88 tonnes of packaging materials, of which 67% were recyclable.

The Company has formulated a *Green Office Code* to encourage a low-carbon office environment. This initiative involves the adoption of energy-efficient LED lamps and sensor lighting, along with the implementation of temperature control measures for air conditioning to reduce energy consumption. Additionally, energy-saving signage is prominently displayed in office areas, serving as reminders for employees to turn off office equipment, air conditioners and lights when they leave the office. The Company also encourages a paperless office environment and advocates double-sided printing to raise employees' awareness of resource conservation.

The Company upholds a green development philosophy in its transportation operations, actively promoting green logistics initiatives to reduce exhaust emissions. New energy vehicles are the preferred means of transport for shorter distances. The Company mandates a loading rate of over 85% for all transport vehicles, with fuel-powered vehicles required to meet the emission standards outlined in GB18565 and GB1589. Additionally, the Company optimizes logistics efficiency by coordinating the simultaneous delivery and collection of goods to and from the same destination. This practice streamlines the transportation of raw materials between factories and reduces overall transport frequency.

## Emission Management

Strictly adhering to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other relevant laws and regulations, the Company ensures that waste gases from all sources undergo effective treatment through corresponding waste gas collection and treatment facilities in accordance with relevant standards. During production and operations, dust generated from cutting processes is treated with a cartridge filter before discharge. Similarly, organic waste gases and particulate matter from welding, dispensing and scrubbing activities are processed through exhaust funnels equipped with filter cotton and activated carbon adsorption apparatuses in accordance with relevant standards. Filter cotton and activated carbon are replaced regularly. During the Reporting Period, the Company's exhaust emissions were 4.07 tonnes, including VOC<sup>4</sup> and particulate matter.

The Company has achieved effective control over the collection and disposal of its solid waste, strictly adhering to the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other applicable laws and regulations. Among the Company's solid waste, hazardous waste mainly includes waste glue, waste alcohol, waste activated carbon and waste packaging drums. These are responsibly disposed of by qualified companies. Industrial solid waste, including welding slag, waste parts, non-conforming goods and waste packaging materials, undergo regular recycling and reuse processes facilitated by recycling facilities. Domestic waste is centrally collected and disposed of by the sanitation department. During the Reporting Period, the Company generated 760.48 tonnes of solid waste.

<sup>4</sup> VOC includes non-methane hydrocarbon, acrylic ester and isopropanol.

	2023
Exhaust emissions (tonne)	4.07
Including: VOC (tonne)	3.40
Particulate matter (tonne)	0.67

	2023
Total solid waste (tonne)	760.48
Including: Total recycled weight (tonne)	105.00
Total disposed weight (tonne)	655.48
Total hazardous waste (tonne)	3.83
Including: Total recycled weight (tonne)	0.00
Total disposed weight (tonne)	3.83
Hazardous waste intensity (tonne/RMB million)	0.002
Total non-hazardous waste (tonne)	756.65
Including: Total recycled weight (tonne)	105.00
Total disposed weight (tonne)	651.65
Non-hazardous waste intensity (tonne/RMB million)	0.40







## Tackling Climate Change

### Climate Change Governance

Hesai has developed a governance structure for addressing climate change, drawing upon the Task Force on Climate-related Financial Disclosure (TCFD) framework and the International Sustainability Standards Board (ISSB) Sustainability Disclosure Guidelines. The Board oversees the management of risks and opportunities related to climate change and reviews corresponding response strategies, policies and performance goals. Senior management is responsible for identifying and assessing climate-related risks and opportunities to determine and implement response strategies, develop annual, mid-term and long-term plans and monitor the progress of performance goals. Representatives from each relevant department implement the strategies and actions established by the Board and senior management, coordinate departmental efforts and provide progress reports to senior management on each goal.

## Climate-Related Risks and Opportunities

Climate-Related Risks		TCFD Recommendation Considerations	Risk Description	Time Horizon	Potential Financial Risks <sup>5</sup>
Physical risks	Acute risks	Drought	Heightened occurrences of extreme weather events may pose a risk of damaging Company facilities and compromising employee safety, thereby disrupting the Company's production and operations.	Short-term	<ul style="list-style-type: none"> <li>• Facility maintenance and replacement costs may increase;</li> <li>• Increased energy consumption and higher employee absenteeism rates may increase operational costs;</li> <li>• Shutdowns and production halts may lead to a revenue decrease.</li> </ul>
		Flooding			
Typhoon					
Chronic risks	Rising in average temperature	Global warming leading to prolonged high temperatures may increase the risk of heatstroke among employees. Additionally, the rise in sea levels may increase the risk of flooding in coastal areas, posing a threat to Company facilities and disrupting business continuity.	Long-term		
	Rising sea levels				
Transition risks	Policies and laws	Greenhouse Gas (GHG) emission limits and pricing	Along with some of the countries where overseas suppliers are located, China has introduced laws and regulations imposing limits on GHG emissions and introducing pricing mechanisms for high-emitting industries. These regulatory measures may affect the production costs of upstream raw materials.	Mid-term	
	Technology	Initial investment in the transition to low-emission technologies	The timing of technology development and deployment, along with the inherent uncertainty of outcomes, may impact the returns on the Company's investment in low-emission technology.	Mid-term	
	Market	Rising raw material costs	Frequent occurrences of extreme weather events may have a negative impact on the stability of the supply chain, resulting in rising raw material costs.	Short-term	
	Reputation	Stakeholder concerns	Stakeholders' expectations for the Company to implement effective measures to mitigate environmental impact are steadily growing. Customers anticipate the Company will offer more environmentally friendly products, while governmental entities expect the Company to set and achieve targets for energy conservation and emission reduction to alleviate climate change.	Mid-term	

Climate-Related Opportunities		Potential Financial Impacts
Market	Growing market demand for green and low-carbon products	Amidst growing environmental consciousness and the escalating emphasis on sustainable practices, the market demand for green and low-carbon products is on the rise. Hesai strategically positions itself to capitalize on this trend by focusing on the development of products compatible with new energy vehicles, thereby expanding its revenue opportunities.
Technology	R&D in green and low-carbon materials and technologies	
Resource efficiency	Use of more energy-efficient production and office equipment, buildings and technologies	In the medium- and long-term, the Company stands to benefit from reduced energy costs in production and operations, leading to enhanced cost efficiency.
Climate resilience	Development of or participation in renewable energy projects	The declining costs of renewable energy sources, such as solar and wind power, are expected to persist. Proactively pursuing renewable energy projects or sourcing renewable energy can effectively mitigate energy-related costs over the medium- to long-term.

<sup>5</sup> The relevant description of potential financial risks currently exists only at a theoretical level and does not represent material risks.

# Climate Risk Management

Hesai has incorporated climate-related risks into its overarching risk management system. Drawing upon TCFD and ISSB recommendations, the Company collects climate-related data to comprehensively understand the potential impact of climate change on its operations. Through this rigorous analysis, Hesai assesses both the risks and opportunities presented by the evolving climate conditions, enabling the development of a robust strategy to manage these risks effectively.

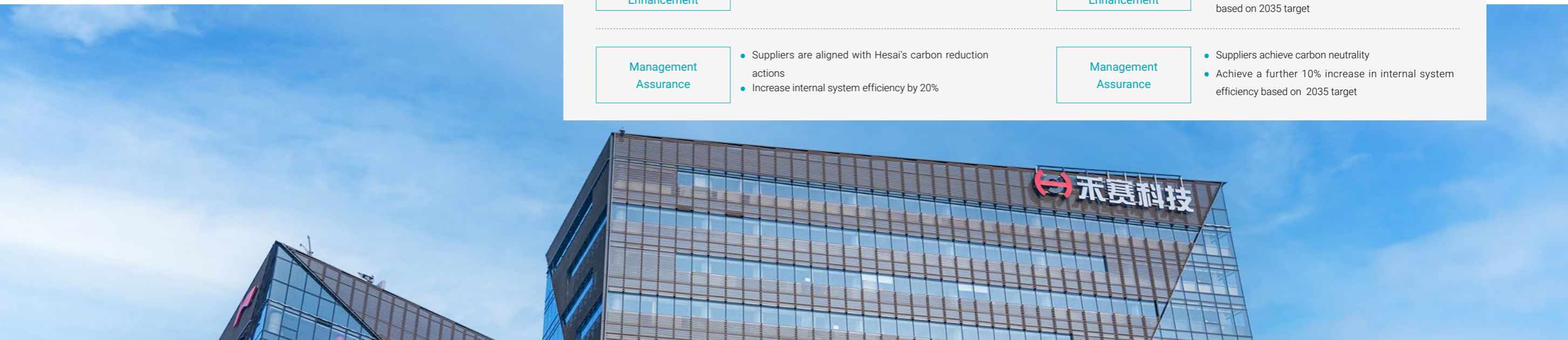
To mitigate the physical risks associated with climate-related disasters and safeguard operational stability and continuity, the Company has put in place a comprehensive emergency management system tailored to extreme weather scenarios. Additionally, it strengthened disaster prevention measures for equipment and infrastructure, continuously improving the Company's ability to respond to extreme climate events. Simultaneously, to address the transitional risks associated with energy conservation and emissions reduction, the Company actively conducts carbon auditing and product carbon footprint certification, while formulating and promoting a strategic "2035 and 2050 Carbon Neutrality" plan, to ensure the Company's long-term sustainable development.

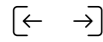
# Strategic "Carbon Neutrality" Plan

The Company is implementing a strategic "Carbon Neutrality" plan by optimizing its energy structure, enhancing energy conservation and efficiency, as well as ensuring management assurance. The Company adopts solar PV and other sustainable methods to expand the proportion of green electricity in its production process, thereby promoting the Company's energy-saving and emission-reduction goals. Concurrently, it motivates its supply chain partners to carry out carbon reduction actions. Moving forward, Hesai will continue to drive GHG emission reduction efforts, collaborating with employees, supply chain partners and other stakeholders to implement emission reduction initiatives and jointly achieve the goal of carbon neutrality.

**Hesai Technology's Strategic "Carbon Neutrality" Plan**

Achieve carbon neutrality across Europe and United States by 2035		2035	Achieve global carbon neutrality by 2050		2050
<b>Structure Optimization</b>	<ul style="list-style-type: none"> <li>30% of traditional energy is replaced by renewable energy</li> <li>Achieve net-zero emissions for products in Europe and the United States</li> </ul>		<b>Structure Optimization</b>	<ul style="list-style-type: none"> <li>100% renewable energy usage</li> <li>Achieve net-zero emissions for products worldwide</li> </ul>	
<b>Energy Conservation and Efficiency Enhancement</b>	<ul style="list-style-type: none"> <li>20% increase in energy efficiency</li> <li>Reduce material usage by 20%</li> </ul>		<b>Energy Conservation and Efficiency Enhancement</b>	<ul style="list-style-type: none"> <li>Achieve a further 20% increase in energy efficiency based on 2035 target</li> <li>Achieve a further 20% reduction in material usage based on 2035 target</li> </ul>	
<b>Management Assurance</b>	<ul style="list-style-type: none"> <li>Suppliers are aligned with Hesai's carbon reduction actions</li> <li>Increase internal system efficiency by 20%</li> </ul>		<b>Management Assurance</b>	<ul style="list-style-type: none"> <li>Suppliers achieve carbon neutrality</li> <li>Achieve a further 10% increase in internal system efficiency based on 2035 target</li> </ul>	





# Low-carbon operational performance

To achieve the carbon neutrality goals, the Company regularly engages in ISO 14064 greenhouse gas verification. A number of Hesai's LiDAR products have obtained carbon footprints ISO 14067 verification. During the Reporting Period, the Company's total GHG emissions were 12,649.40 CO<sub>2</sub>e equivalent tonnes.

	2023
Total GHG emissions (Scopes 1 and 2) (tCO <sub>2</sub> e)	12,649.40
Direct GHG emissions (Scope 1) (tCO <sub>2</sub> e)	12.31
Indirect GHG emissions (Scope 2) (tCO <sub>2</sub> e)	12,637.09
GHG emission intensity(tCO <sub>2</sub> e/RMB million)	6.74

Note: Direct GHG emissions (Scope 1) result from the consumption of gasoline, and indirect GHG emissions (Scope 2) derive from the use of purchased electricity.



Verification Statement of Greenhouse Gas Emission



AT128 Product Carbon Footprint Verification



FT120 Product Carbon Footprint Verification



# 7.0

## Social Values

– Philanthropy and Public Welfare



# Philanthropy and Public Welfare

The Company prioritizes the consideration of its business impact on the surrounding community and ensures that its production and operational facilities uphold a positive relationship with the local community.

While continuing to grow in commercial value, Hesai has been actively involved in charitable activities to fulfill its corporate social responsibilities. The Company focuses on providing quality education for children in remote areas, advances the development of rural digital education and leverages technology to promote kindness and charitable endeavors.

## Hesai Collaborates with the Adream Foundation to Actively Support Rural Revitalization

In March 2022, Hesai partnered with the Shanghai Adream Charitable Foundation to launch a philanthropic project in Deqin County, a pivotal area for rural revitalization. Serving as its inaugural philanthropic endeavor, the Company proposed the establishment of a "Deqin Second Primary School Dream Center." This initiative began with the creation of a digital and multi-functional dream center classroom aimed at promoting education development in remote rural areas.

Over a span of seven months, Hesai built an interactive classroom equipped with a large screen, recording and broadcasting equipment, tablet computers and various books, providing children with an imaginative and creative learning environment. The Company also initiated a book donation campaign themed "Books Bring Hope and Dreams." With active employee participation, 352 books were collected for the children of Deqin County Second Primary School. In addition, to demonstrate its interest and care in detailed educational development, Hesai organized an event at the "Dream Center" with a presentation explaining the science behind LiDAR to the children. This endeavor aimed to popularize scientific knowledge and inspire children's enthusiasm for science, with an overarching goal to nurture a future generation equipped with scientific literacy and technological capabilities.

## Hesai Actively Promotes the "One Egg" Charity Project

Hesai is a proud supporter of the "One Egg" charity project, which is under the Shanghai United Foundation. The Company is committed to enhancing the nutritional well-being of preschool children in remote rural areas. By providing an egg daily to each child throughout the school term, this project plays a vital role in addressing malnutrition among children in these regions.

In 2023, Hesai extended its support by making a one-year donation to a kindergarten in Qujing City, Yunnan Province, through the "One Egg" project. An egg was provided to the children on each school day to improve their nutritional status. During the spring term of 2023, 19,950 eggs were distributed, directly benefiting 210 individuals, including 96 children from severely impoverished families. Through ongoing donations, Hesai aims to create a healthier and happier growth environment for these children, spreading love and kindness throughout society.



"One Egg" Charity Project

## Table of Key Performance Indicators

Indicators	Unit	2023	
<b>Environment</b>			
<b>Emissions</b>			
GHG emissions	Total GHG emissions	tCO <sub>2</sub> e	12,649.40
	Direct GHG emissions (Scope 1) <sup>6</sup>	tCO <sub>2</sub> e	12.31
	Indirect GHG emissions (Scope 2) <sup>7</sup>	tCO <sub>2</sub> e	12,637.09
	GHG emission intensity	tCO <sub>2</sub> e/RMB million	6.74
Exhaust emissions	Exhaust emissions	tonne	4.07
	-VOC	tonne	3.40
	-Particulate matter	tonne	0.67
Waste	Total solid waste	tonne	760.48
	-Total recycled weight	tonne	105.00
	-Total disposed weight	tonne	655.48
	Total non-hazardous waste	tonne	756.65
	-Total recycled weight	tonne	105.00
	-Total disposed weight	tonne	651.65
	Non-hazardous waste intensity	tonne/RMB million	0.40
	Total hazardous waste	tonne	3.83
	-Total recycled weight	tonne	0.00

Indicators	Unit	2023		
Waste	-Total disposed weight	tonne	3.83	
	Hazardous waste intensity	tonne/RMB million	0.002	
Wastewater discharge	Wastewater	tonne	56,764.00	
<b>Use of Resources</b>				
Energy	Total energy consumption	MWh	22,211.34	
	Energy consumption intensity	MWh/RMB million	11.83	
	Direct energy consumption	MWh	49.62	
	Gasoline	liter	5,681.00	
	Indirect energy consumption	MWh	22,161.73	
	Purchased electricity	MWh	22,158.67	
	Total self-generated renewable energy	MWh	3.06	
	Consumption of self-generated renewable energy	MWh	3.06	
	Water	Total water consumption	tonne	70,955.00
		Water consumption intensity	tonne/RMB million	37.80
Packaging materials	Packaging materials	tonne	88.03	
	Recyclable packaging materials	tonne	58.89	
	Packaging materials intensity	tonne/RMB million	0.05	

<sup>6</sup> In 2023, GHG emissions (Scope 1) are from direct automotive gasoline combustion emissions, and the conversion factors for the calorific value of energy consumption for each type of energy are referenced to the *Guidelines on Greenhouse Gas Emission Accounting Methods and Reporting of Electronic Equipment Manufacturing Enterprises* issued by the National Development and Reform Commission (NDRC).

<sup>7</sup> In 2023, GHG emissions (Scope 2) are indirect GHG emissions from purchased electricity. When calculating the GHG emissions, the electricity emission factor refers to the *Notice on the Management of Corporate GHG Emissions Reporting in Power Generation Industry from 2023 to 2025* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Indicators		Unit	2023
Raw materials	Raw materials	tonne	190.00
	Recyclable raw materials	tonne	<30
<b>Social</b>			
<b>Employment</b>			
Total number of employees	Total number of employees	person	1,122
Number of employees by gender	Male	person	820
	Female	person	302
Number of employees by age	<30	person	398
	30 to 50	person	714
	>50	person	10
Number of employees by geographical region	Chinese mainland	person	1,095
	Other regions	person	27
Number of employees by employment type	Full-time	person	1,122
	Part-time	person	0
Percentage of employees by rank and gender	Percentage of male employees in management level	%	78
	Percentage of female employees in management level	%	22
	Percentage of male employees in non-management level	%	73
	Percentage of female employees in non-management level	%	27
The proportion of experienced engineers among total employees	The proportion of experienced engineers among total employees	%	~70
New employee hires	New employee hires	person	302
Number of new employees by gender	Male	person	197
	Female	person	105







Indicators		Unit	2023
Number of new employees by age	<30	person	156
	30 to 50	person	145
	>50	person	1
Number of new employees by geographical region	Chinese mainland	person	283
	Other regions	person	19
<b>Employee turnover rate</b>			
Total employee turnover and rate	Total employee turnover	person	231
	Employee turnover rate	%	21
Employee turnover rate by gender	Male	%	20
	Female	%	22
Employee turnover rate by age	<30	%	19
	30 to 50	%	22
	>50	%	0
Employee turnover rate by geographical region	Chinese mainland	%	20
	Other regions	%	26
<b>Employees' development and training</b>			
Employee training	Total training hours	hour	38,502
	Average training hours	hour	34.32
Total training hours of employee development training	Total training hours	hour	31,070
Total training hours of employee development training by rank	Management level	hour	4,030
	Non-management level	hour	27,040






Indicators		Unit	2023
Total training hours of employee development training by gender	Male	hour	22,707
	Female	hour	8,363
Average training hours of employee development training	Average training hours of employee development training	hour	27.69
Average training hours of employee development training by rank	Management level	hour	73.27
	Non-management level	hour	25.34
Average training hours of employee development training by gender	Male	hour	27.69
	Female	hour	27.69
Proportion of employees regularly subjected to performance appraisals	Proportion of employees regularly subjected to performance appraisals	%	100
<b>Employees' health and safety</b>			
Loss due to work-related injuries	Work-related deaths	person	0
	Serious work-related injuries	case	0
	Work-related injuries	case	2
	Occupational diseases	person	0
Health examination	Health examination coverage rate	%	100
Safety training	Health and safety training hours	hour	6,053
	Health and safety training participants	participant	2,684
<b>Supply chain management</b>			
Total number of suppliers	Total number of suppliers	/	374
Supplier access	Amount of suppliers certified to environmental management system	/	68

Indicators		Unit	2023
Supplier access	Amount of suppliers certified to quality management system	/	171
<b>Customer services</b>			
Customer complaint	Resolved rate of customer complaints	%	100
	Customer satisfaction rate	%	>90
<b>Product R&amp;D</b>			
Patent	Cumulative number of granted patents	/	464
<b>Governance</b>			
<b>Anti-corruption</b>			
Litigation cases	Corruption cases concluded	case	0
	Anti-competitive cases concluded	case	0
Integrity training	Cumulative duration of business ethics training	hour	1,379
	Total number of participants in business ethics training	person	919
	Number of anti-corruption internal audits and risk assessments	number	26

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