SVOLT
蜂巢能源

Environmental, Social and Governance (ESG) Report 2023

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Note: The order above is in alphabetical order of names.

About the Report

This is the second Environmental, Social and Governance (ESG) Report publicly released by SVOLT Energy Technology Co., Ltd. (hereinafter referred to as the "Company," "SVOLT" and "we"). The Report discloses the Company's achievements and performance in 2023 in areas, such as environmental resource conservation, social responsibility fulfillment, and corporate governance, during its development.

Scope of the Report

The Report covers SVOLT Energy Technology Co., Ltd. and its subsidiaries.

Reporting Period

This is an annual report covering the period from January 1, 2023 to December 31, 2023.
To enhance the integrity of the Report, the period may be appropriately extended for some information.

Data Sources

In this report, the caliber of annual work-related injuries and deaths has been revised from "total work-related injuries" to "total work-related deaths", and the disclosed data for 2022 has been corrected, and other caliber changes are explained after the key performance Indicators.

The operation data in the Report is derived from the audited annual report of the Company, while other data is sourced from the data provided by relevant departments of the Company. Unless otherwise specified, all data are consolidated by the Company.

Basis for Preparation

According to the reality of the Company, the Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong* with reference to the *Sustainability Reporting Standards* issued by the Global Reporting Initiative (GRI Standards). The index of content in the Report is contained in the section "Index of Indicators."

Access to the Report

The Report can be viewed and obtained on the website (www.svolt.cn) of SVOLT Energy Technology Co., Ltd.

If you have any questions or suggestions regarding the Report, please send an email to ESG@svolt.cn

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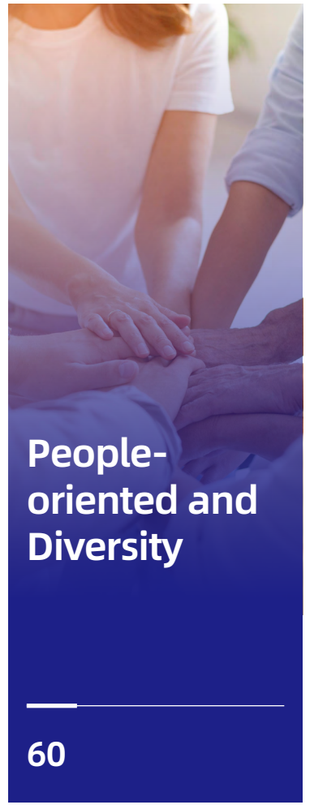

People-oriented and Diversity

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Chairman's Statement

With the growing global consensus on green and low-carbon development, we have ushered in a critical period of accelerated transformation of the global energy landscape. As an active player in the new energy industry, SVOLT, with the mission of "Green Energy Everywhere," continues to deepen its exploration and practice in the fields of power battery and energy storage system, and helps the transformation and upgrading of the global energy system.

The year 2023 was full of challenges and opportunities for SVOLT. The rapid development of the global new energy vehicle market considerably fuels the power battery market. The accelerated expansion of the production capacity of power battery enterprises results in intense competition in areas including lithium mineral resources, production costs, technology routes, etc. SVOLT grasps new opportunities and opens up a new prospect in the face of crisis and challenges. It publishes "SVOLT Strategy 2024" and debuts the whole series of short blade fast-charging products with the product leadership strategy, AI-enabled manufacturing strategy and SVOLT speed service strategy. With focus on the ten major challenges of intelligent manufacturing of lithium-ion batteries, it highlights the AI-enhanced application to greatly improve the production efficiency of the manufacturing system. With Customers First approach, it is committed to boosting "5 Ones" program to enhance both product quality and service quality.

This year saw the mass production of the first short blade flying stacking battery L400 of SVOLT. Based on the innovation of short blade structure, SVOLT employs the flying stacking technique to enhance manufacturing advantages. It continuously improves the efficiency of the production line, reflecting the great value of flying stacking technique application in the intelligent manufacturing of lithium-ion batteries. Moreover, we have constructed a battery module PACK factory in Thailand, and have begun work on laying out the African market to boost our globalization strategy. In the era full of changes, SVOLT accurately identifies changes, scientifically responds to changes, takes initiatives to seek changes, and embraces opportunities to take the lead.

One with great ambitions succeeds and one rising to challenges advances. While making progress in innovation, SVOLT always keeps ESG responsibilities in its mind for sustainable growth and prosperity. In terms of green and low-carbon development promotion, we actively respond to the national "carbon peaking and carbon neutrality" strategy. We monitor carbon footprint, optimize resource allocation, and improve energy efficiency in all aspects of corporate operations. We actively lead the lithium-ion battery industry chain investment projects, and are committed to the comprehensive utilization of integrated energy of wind-PV storage and charging, to achieve the goal of a zero-carbon industrial park. We strive for developing greener and more cost-effective waste battery recycling solutions to alleviate the pressure of battery resource shortage and realize the an industrial closed-loop.

SVOLT, as a responsible company, is actively involved in social welfare undertakings, and actively shares the fruits of corporate development with users, employees and the public. We adhere to an open hiring mechanism, promote the development of employee diversity, and shape a fair, open and inclusive culture. We also care for the development of the local community, and we are committed to reliably creating value for and contributing to the community through practical action.

When it comes to corporate governance, SVOLT strictly follows national laws and regulations, adheres to the principle of legal compliance, and is committed to creating a "fair, just, simple and transparent" working environment internally and an honest system externally in the principle of "integrity and honesty." We organically integrate the concept of social responsibility with supply chain management to create a sustainable supply chain system. In 2023, we were honored with "Green Supply Management Enterprise" by the Ministry of Industry and Information Technology.

On this new journey, we have compiled the *SVOLT 2023 Environmental, Social, and Governance (ESG) Report*, comprehensively reviewing our ESG management practices and performance. The Report aims to foster better communication with our stakeholders and we welcome public oversight and feedback. Looking ahead, we will continue to collaborate with stakeholders to jointly promote the global energy transformation and sustainability.

SVOLT Chairman

Hongxin Yang

About SVOLT

Company Profile

Founded in 2018, SVOLT Energy Technology Co., Ltd. is headquartered in Jintan District, Changzhou, Jiangsu Province. The Company's main products include cells, modules, battery packs, energy storage battery systems and so forth. The Company is recognized as a high-tech enterprise by the state, and has successively undertaken a number of national key special projects， including in "High-end Functional and Intelligent Materials," "New Energy Vehicle in the 14th Five-Year Plan," as well as other major special projects of National Development and Reform Commission, and other ministries. The Company's scientific innovation and technological strength have been widely recognized. It won important awards including 2023 Hurun China Energy Private Enterprises TOP 100, 2023 "Green Supply Chain Management Enterprise" of the Ministry of Industry and Information Technology and "2023 Global NEV's Cutting-edge and Innovation Technology." During the 2023 World Power Battery Conference, the Ministry of Industry and Information Technology released the 2023 Power Battery Industry Development Index, and SVOLT successfully topped the list.

The Company attaches great importance to R&D and scientific and technological talent training. The Company's R&D expenditure in 2023 was RMB 1.04 billion, accounting for approximately 9.41% of the Company's revenue. The Company's R&D and technical personnel totaled 2,257, accounting for 15.5% of the Company's total workforce. The Company has filed more than 7,000 patents worldwide, including more than 500 overseas applications, and has more than 4,700 valid patents. It ranks among the top in the industry in respect of the number of patents for invention and patent disclosures. The Company adheres to the spirit of "Driven by Innovation" and devotes itself to "Green Energy Everywhere." The core technologies independently developed by the Company, such as drill-less cathode material technology, ultra-high-speed stacking process, "SVOLT Cloud" monitoring system, Dragon Armor Battery, short-blade battery and 800V fast charging mechanism, are at the forefront of the industry. The Company has set up R&D centers in Wuxi, Baoding, Shanghai and Germany, and manufacturing bases in Changzhou, Huzhou, Chengdu, Yancheng, Shangrao and Thailand that have been put into production.

Development Strategy

SVOLT Strategy 2024

Product leadership strategy
Full-domain short blade and comprehensive evolution

Iterative product upgrades in passenger vehicles, commercial vehicles, and energy storage to meet changing market needs

SVOLT speed service strategy
Quick response Service upgrade

Customers First, promoting the "5 Ones" program to enhance both physical quality and service quality

AI-enabled manufacturing strategy
Liberation of extreme lithium-ion battery intelligent productivity

With focus on the ten major challenges of intelligent manufacturing of lithium-ion batteries, highlighting the AI-enhanced application and making breakthroughs to greatly improve the production efficiency of the manufacturing system

Company Culture

Mission

» Green Energy Everywhere

Vision

» To Be a Global Energy Interconnection Technology Company

Corporate spirit

» Driven by Innovation

Core values

» Customers First, Striver-Focused, Innovation-Rooted, Synergy-Supported

Code of conduct

» Eight Rules for Managers, Three Does, 18 Don'ts and Five Ownerships

Six working concepts

» Explicit culture, execution culture, quality culture, three virtues culture, contribution, virtue cultivation and commentation culture, and business modesty culture

Seven rules of work

» BLM strategy model, entropy reduction model, role model, innovation model, pyramid principle model, daily progress model, and one-hour productive meeting model

Strict red line

» Integrity and thrift

SVOLT Culture Model "SVOLT Vector"

Events in 2023

February 9

TengQingQing signed the contract of lithium iron phosphate hydrometallurgy project

April 27

Jiangsu Provincial Party Committee Secretary Xin Changxing paid a visit at SVOLT

May 7

The first batch of SOP cell rolled off the production line at Huzhou base

July 5

Thailand's first module PACK factory construction officially kicked off

July 26

The first flying stacking production line of Yancheng Base Phase II was put into production

October 10

International energy heavyweight Banpu Group invested in the Company

October 25

SVOLT debuted flying stacking short blade 325Ah energy storage cell at Chengdu Base; SVOLT Chengdu Base signed a contract of RMB 7.5 billion with the bank consortium

November 1

SVOLT and GCL Group reached a strategic cooperation on short blade stacking cell for ESS

November 8

SVOLT was honored "Green Supply Chain Management Enterprise," showing its green manufacturing strength

Honors

Honors	Issuers
National 5G Factory	Ministry of Industry and Information Technology
National Green Supply Chain Management Enterprise	Ministry of Industry and Information Technology
Enterprise Technology Center in Jiangsu Province	Jiangsu Provincial Department of Industry and Information Technology
Jiangsu Provincial Green Factory	Jiangsu Provincial Department of Industry and Information Technology
Jiangsu Model Workers' Home	Jiangsu Federation of Trade Unions
Anhui Provincial Gold Medal for Patents	Anhui Market Supervision Administration
Changzhou Mayor's Quality Award	Changzhou Municipal People's Government
2023 Star Enterprise	Changzhou Municipal People's Government
Top Ten R&D Investment Enterprises	CPC Changzhou Municipal Committee and Changzhou Municipal People's Government
Science and Technology Innovation Award for Industrial Enterprises	CPC Committee of Jintan District, Changzhou & People's Government of Jintan District, Changzhou
First Prize of Intelligent Manufacturing Thematic Contest of the 2nd Guanghua Cup Gigabit Optical Network Application Innovation Competition	Ministry of Industry and Information Technology
2022 Innovation Award of China Battery Industry	www.itdcw.com
The 2nd China Benchmarking Intelligent Factory Award	e-works.net.cn
2023 China New Energy Storage Battery Enterprise Innovation Award	Organizing Committee of China International Conference on New Energy-storage Technologies and Engineering Applications China Energy Storage Network
Top Ten Industry Reform Practice Cases	Joint Conference on Reform of Changzhou Workforce Building in the New Era
Outstanding Unit of Industrial Workforce Reform	Joint Conference on Reform of Changzhou Workforce Building in the New Era
Advanced Cell Company	Guangdong Battery Industry Association
Changzhou Demonstration Unit for Safety Publicity in the Community, Enterprise, School, Floating Population Management Station and Market	Changzhou Work Safety Committee Office
Changzhou May 1st Labor Certificate	Changzhou Federation of Trade Unions
Changzhou Water-saving Enterprise	Changzhou Water Resources Bureau and Changzhou Bureau of Industry and Information Technology
ESG Green Pioneer Company	Business Value & Economic Weekly & Business Value Research Institute

Important Data for 2023

Economic performance

Operating income RMB **11.01** billion

Total tax payments RMB **0.43** billion

Environmental performance

138.57 megaliters of water resources recycled and reused

0 major environmental regulation violations

Environmental performance

RMB **138** million invested in environmental protection

Renewable electricity consumption of **153,431.07** MWh

Carbon emission reduction of **41,691** tons from energy conservation technology improvement projects

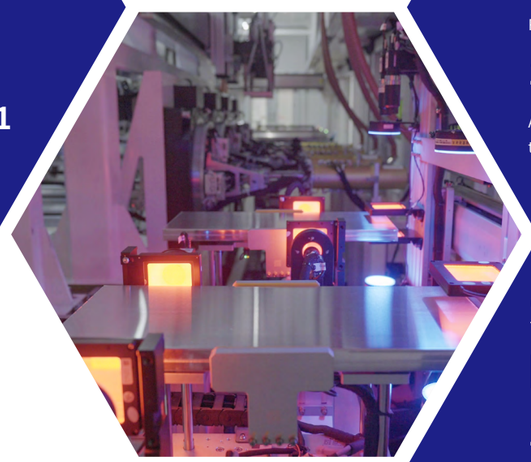
Social performance

Investment in R&D RMB **1.04** billion

R&D revenue with a percentage of **9.41%**

14,569 employees

Attendance of **11,647** in employee training



Social performance

100% union membership rate

Total investment in employee benefits up to RMB **1,918,000**

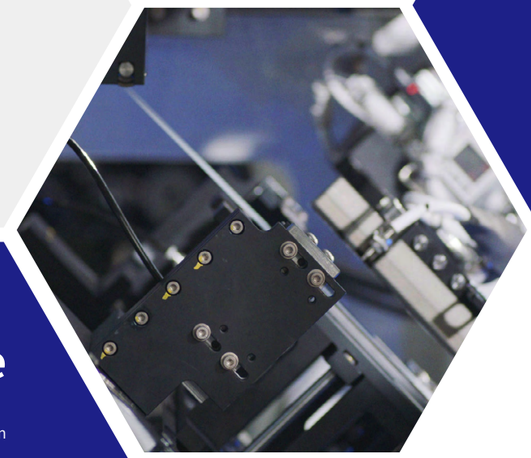
531 hours of occupational health and safety training

Governance performance

Independent directors accounting for **1/3** in the Board of Directors

Female directors accounting for **1/9** in the Board of Directors

162 training and publicity sessions on integrity in practice



ESG Management

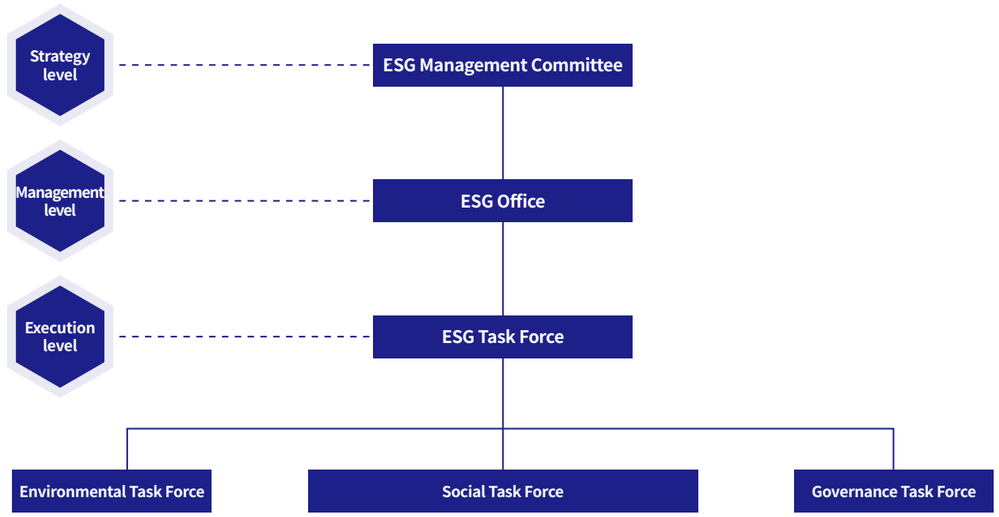
ESG Management

SVOLT adheres to the mission of "Green Energy Everywhere" and takes it as the ESG vision to lead the Company's sustainable development. Under this vision, the Company firmly adheres to honest business operations and lays a solid foundation for corporate governance. It takes green energy sharing, low-carbon co-development, win-win cooperation, and employee co-creation as four key fields, covering important topics related to the Company's sustainable development.

Vision	Green Energy Everywhere			
Development foundation	Integrity management: solidifying the foundation of corporate governance			
Topics responded to	Corporate governance	Economic performance and investor rights and interests	Anti-corruption	Risk control compliance
Key fields	**Green energy sharing**	**Low-carbon co-development**	**Win-win cooperation**	**Employee co-creation**
Field goals	Constantly develop innovative products and solutions, empower energy with technology, and share the fruits of green energy.	Actively respond to climate change, promote energy conservation and emission reduction, and jointly build a green ecosystem.	Adhere to compliant governance, safeguard the rights and interests of partners, and create a win-win situation with all stakeholders.	Focus on employee development, cultivate industrial talents, and create a better future with employees.
Topics responded to	Product quality and liability management — Product technology innovation — Data safety — Customer relationship management	Emissions and waste management — GHG emission — Resource management — Product recycling — Biodiversity conservation	Supplier management — Community relations	Labor management — Occupational health and safety — Employee training and development

ESG Management Framework

To effectively promote the implementation of the ESG strategic plan, SVOLT has established a three-in-one ESG management framework consisting of the ESG Management Committee, ESG Office, and ESG Task Force, forming an ESG management system that progresses layer by layer from the strategic level, management level to the execution level with clear rights and responsibilities, enabling the highest governing body to make decisions on ESG matters and clarifying the daily centralized management of various ESG topics.



ESG Management Committee

The ESG Management Committee is chaired by the Chairman of the Board. The Company's executives serve as members, responsible for leading the Company's ESG work, determining medium- and long-term goals and sustainable development strategies, conducting high-level communications with stakeholders, and reviewing and supervising the progress of ESG goals and strategy implementation.

ESG Office

The ESG Office is composed of the leaders of the task forces and is responsible for leading the design of the ESG strategy, organizing the annual ESG information disclosure, communicating with the Management Committee to formulate ESG goals, and building the ESG assessment system.

ESG Task Force

A total of 4 task forces are established, including 1 environmental task force, 2 social task forces, and 1 governance task force. Each task force appoints a leader who is responsible for coordinating relevant departments, organizing work meetings, issuing action targets for various topics, and implementing ESG performance assessments. Each department is the implementing entity, responsible for executing various ESG decisions. The missions also include tracking the work situation of departments routinely and collecting and summarizing ESG data.

Materiality Analysis

SVOLT conducts regular assessments of material ESG topics with the aim of effectively responding to the expectations and demands of various stakeholders and continuously improving ESG management. The Company garners the results of the ranking of the importance of topics and suggestions for improvement from different stakeholders by means of questionnaires on material topics. Based on international and domestic standards and guidelines, rating focuses, policy trends, peer benchmarking, as well as the Company's development strategy, internal communications and external consulting results, the Company further refined the 18 first-level topics in the Strategy System into 30 topics, and draws up a materiality matrix.

Communication with Stakeholders

SVOLT pays close attention to the demands of internal and external stakeholders. We have established and improved communication mechanism by various forms, including regular meetings, surveys, feedback channels and more, to maintain constructive engagement with stakeholders. We make commitments to stakeholder demands and take action to achieve shared sustainable development goals.

Stakeholders	Topics	Communication Channels
Customers	Reliable products	Customer technical exchange meetings, new product launch events
	Quality services	Industry exhibitions and technical seminars
	Contract compliance	Official website
	Business ethics	
Employees and labor unions	Career development	Employees' congress and labor union committee
	Health and safety	Training
	Remuneration and welfare	SVOLT Complaint Reporting Mini-App
	Protection of Rights and Interests	Employees' congresses, employee activities and employee clubs
Shareholders and investors	Return on investment	Performance presentations, investor hotline and roadshows
	Financial soundness	General meeting of shareholders and on-site research
Suppliers and partners	Green supply chain	Supplier training and supplier environment assessment
	Win-win cooperation	Supplier website platform, collaborative innovation and supplier conferences
	Business ethics	
	Contract compliance	Code of Conduct for Suppliers and Transparent Procurement
Government and regulators	Tax contribution	Supervision and inspection
	Employment contribution	
	Industrial development	Policy recommendations
	Compliant operation	
Communities and non-governmental organizations	Environmental protection	Proactive community communication and participation in program collaboration
	Rights and interests protection	Charitable donations and public welfare activities
	Work safety	Participation in open days of industry associations, societies and enterprises
	Promoting sustainability	
Media	Transparency of information	News and reports
	Smooth communication	Management interviews

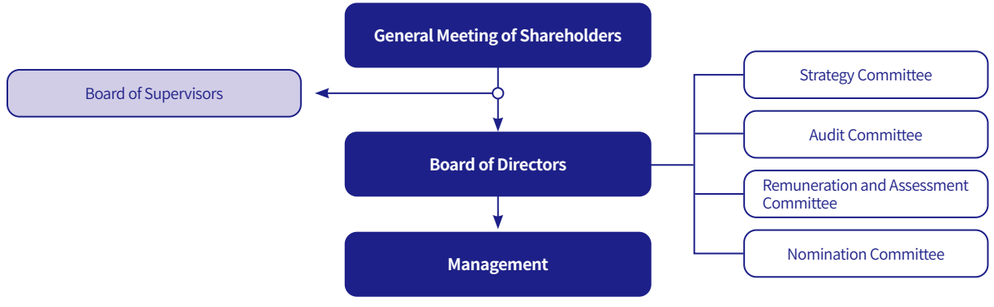
01

Compliance Governance and Responsibility First

Strengthening the Foundations for Development

SVOLT has continuously improved its corporate governance and established a governance structure consisting of the general meeting of shareholders, the Board of Directors, the Board of Supervisors and the management, with clear division of powers and responsibilities, which guarantees the standardized and efficient operation and management of the Company. The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other laws and regulations, and has formulated the Articles of Association to regulate the employment, appointment and dismissal of the Company's directors and supervisors. It convenes the general meeting of shareholders in accordance with the law to ensure that shareholders exercise their rights in accordance with law. In 2023, the Board of Directors of the Company held three general meeting of shareholders in accordance with the *Articles of Association*.

Corporate Governance Structure



General Meeting of Shareholders

The general meeting of shareholders exercises its powers and undertakes obligations in accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for General Meetings of Shareholders* and relevant regulations. The Company holds its general meeting of shareholders in strict accordance with the laws, administrative regulations, the *Articles of Association* and other relevant provisions to ensure that shareholders are able to exercise their rights in accordance with the law. The members of the Board of Directors exercise due diligence to ensure that the general meeting of shareholders is conducted in accordance with the law and that the legitimate rights and interests of shareholders are safeguarded.

Board of Directors

The Board of Directors is the executive authority of the general meeting of shareholders and is responsible for the general meeting of shareholders. The Company has established the *Rules of Procedure for the Board of Directors* to stipulate the powers of directors, and endeavors to enrich the independence and diversity of the Board of Directors while paying attention to the competence of candidates in the hiring of directors. The Company has formulated the *Independent Director System*, which clearly stipulates the qualifications and independence requirements of independent directors, to strengthen the supervision and discipline of directors and the management within the Company.

In 2023, the Company's Board of Directors consisted of 9 members, including 1 female director and 3 independent directors. The members of the Board of Directors feature professional backgrounds and industry experience in various fields such as finance, management, and banking. 1/3 of the seats for the independent directors also guarantee a more neutral and objective corporate decision-making, ensuring shareholders' participation in the Company's major matters while reasonably safeguarding the rights and interests of small and medium shareholders. During the reporting period, the Company held 9 meetings of the Board of Directors at which 49 proposals were considered.

To better serve the actual needs and development policies of the Company, the Board of Directors of SVOLT has established the Remuneration and Assessment Committee, Audit Committee, Nomination Committee and Strategy Committee. It holds regular meetings in accordance with the *Rules of Procedure for the Strategy Committee, Rules of Procedure for the Audit Committee*, and other working systems of the committees, to promote the operation and decision-making of the relevant topics in a standardized and efficient manner. In 2023, the Company held two Audit Committee meetings. Each committee exercises its own duties and responsibilities to regulate the organization and conduct of the Company and to safeguard the legitimate rights and interests of the Company, shareholders and creditors.

Board of Supervisors

The Company separates decision-making from supervision by formulating the *Rules of Procedure for the Board of Supervisors* and electing employee supervisors to participate in the supervision of the Board of Supervisors through the employees' congress. In 2023, the Company's Board of Supervisors consisted of three members, including one employee supervisor. During the reporting period, the Company held 4 meetings of the Board of Supervisors, at which a total of 10 proposals were considered, with 100% attendance rate of supervisors.

Senior Management

The company's senior management includes the General Manager, Vice General Managers, Chief Financial Officer, and Board Secretary. The company has formulated the Detailed Rules for the General Manager to stipulate the General Manager's responsibilities, reporting system, performance evaluation and incentive and accountability mechanisms, ensuring effective implementation of the Board's decisions and improving the company's operational management and risk prevention capabilities.

Sticking to the Bottom Line on Compliance

Legal Compliance

SVOLT adheres to the concept of "comprehensive compliance company-wide." Led by *ISO 37301 Compliance Management System Requirements and Guidelines*, it strives to establish and improve the compliance management system through organization, system, operation mechanism and culture. The Company establishes and improves its global compliance management system (CMS) in accordance with the laws and regulations, industry standards and compliance guidelines of the countries or regions where it operates. It has formulated the *SVOLT Global General Compliance Guidelines* as the basis and foundation of its business compliance specifications. The head of each department assumes primary responsibility for compliance and receives regular compliance evaluations from management and key position holders. The results of evaluation serve as an important reference for management promotion, employee recognition, and the rewards and sanctions system.

SVOLT capitalizes on 10 factors including compliance management system, internal control, intellectual property compliance, ESG management, human resources compliance, cross-border data compliance, trade secrets, business partner integrity management, complaints and whistleblowing, as well as the compliance culture to guarantee the Company's compliance management. In 2023, the Company issued a *Compliance Declaration* of the senior management, improved the *SVOLT Global General Compliance Guidelines*, and standardized legal and compliance due diligence of suppliers. It conducted special compliance risk assessments for transferring data overseas scenarios to promote the establishment of the SVOLT compliance management system through multiple initiatives.

SVOLT actively promotes the establishment of institutionalized and regular compliance training mechanism. It makes great efforts to urge all employees to receive compliance training and master compliance knowledge, including external compliance requirements, internal rules and regulations, as well as risk prevention and control requirements. In 2023, the Company conducted a total of 24 compliance-specific training sessions, with a cumulative duration of 39 hours and a total attendance of 823. The training covers the introduction of compliance system, trade secret protection, internal control system establishment, intellectual property protection, labor and employment, and overseas investment and financing, etc. The training is offered to executives, patent engineers, compliance points of contact (POC) (business backbone of each department), and overseas dispatched employees.

Training sessions (No.)	Participants (No.)	Total duration of training (hours)
2021 5	2021 132	2021 8.90
2022 18	2022 570	2022 25.25
2023 24	2023 823	2023 38.67

Regulating Related Party Transactions

SVOLT attaches importance to consumer rights and transaction transparency, and has set up the *Decision-making System for Related Party Transactions* to clearly define the decision-making authority and deliberation process for connected transactions, as well as the decision-making for Related Party transactions in daily operations. The Company evaluates the Related Party transactions that have taken place to ensure that they are in line with market-oriented principles with reasonable commercial justifications, and do not have a material impact on the Company's financial position and results of operations not in conflict with the interests of the Company and other non-affiliated shareholders. In 2023, the Company forecast and reduced Related Party transactions and terminated unnecessary Related Party transactions to effectively control Related Party transaction risks.

Fair competition

SVOLT firmly upholds the fairness of market competition, continuously strengthens its management of anti-monopoly and anti-undue competition, eliminates the inter-industry competition of the Company's controllers and controlled enterprises, and maintains a fair and orderly market environment. The Company strictly abides by the provisions of the *Anti-Unfair Competition Law of the People's Republic of China* and relevant legal interpretations, actively improves its internal management system and takes timely measures against any improper competition.

Anti-corruption

SVOLT adheres to the business philosophy of integrity and honesty, strives to create a "fair, just, simple and transparent" working environment. It joins hands with value chain partners to create a corruption-free system. The Company strictly complies with the anti-corruption laws and regulations of the countries or regions in which it operates, and has formulated the *SVOLT Anti-bribery Management System* to ensure that the concept of anti-corruption and integrity promotion is highlighted in every aspect of the Company's internal management and external cooperation. The Company was first certified to ISO 37001 for its anti-bribery management system in 2021 and had no confirmed anti-corruption lawsuits for the full year of 2023.

Certificate of Anti-corruption System

Anti-corruption supervision

SVOLT has put a standing anti-corruption supervision process to effect, covering anti-bribery training and internal audits, anti-bribery management reviews, and annual certification audits by external audit companies. The Company also vigorously carries out anti-corruption supervision activities. It conducts integrity publicity, index research, self-examination and self-correction, supervision and inspection, fun competitions, visits and research to combat violations and indiscipline. It recognizes the integrity model with clear rewards and penalties to effectively implement the anti-corruption and integrity promotion. The Audit Department carried out 17 audit projects throughout the year and identified a total of 273 problems, with 95% of them being corrected. Audit operations cover all of the Company's mass production bases/parks, with 100% regional coverage (excluding bases without mass production).

SVOLT Anti-corruption Supervision Activities 2023	
Monthly integrity promotion newsletter on SVOLT integrity service window	9 phases
Integrity reminder (Dragon Boat Festival, Mid-Autumn Festival & National Day, New Year's Day & Chinese New Year)	3 times
Integrity index research activities	1 time
Integrity knowledge fun competitions	1 time
Supervision and inspection at various bases	240 times

Anti-corruption Training

SVOLT attaches great importance to anti-corruption education for employees, with training courses such as *New Employee Integrity Induction, Integrity Education for Team Leaders, Integrity Education for Key Integrity Positions* and *Phased Integrity Education*. To promote integrity education, SVOLT organizes the certification of lecturers. 24 new employees became qualified lecturers in this year, and the Company's lecturer team expanded to 70 persons. By the end of 2023, the Company had conducted 162 anti-corruption training sessions, covering 7,905 employees, with a per capita training duration of 13.94 hours.

SVOLT requires all business departments to actively communicate the Company's concept of integrity and sign the *Integrity Agreement* before formally conducting business with external partners. During sensitive periods (Mid-Autumn Festival/National Day, New Year's Day and Chinese New Year), the departments shall publicize the Company's integrity requirements and whistleblowing channels to partners, to foster a transparent and fair partnership and realize the common development of the Company and the stakeholders.

SVOLT Integrity Education

New Employee Integrity Induction

All new employees are trained in the course of *Integrity Orientation* for 2 hours per capita, and sign the *Integrity Commitment* at the time of joining the Company, to initially understand the Company's culture of integrity and requirements, and to cultivate an awareness of integrity.

Front-line Employee Promotion Education

Front-line employees need to accept the Company's "Thousand Talents Plan" training, and transform from integrity performers to integrity managers through the *Integrity Education for Team Leaders*. 32 training sessions were conducted in 2023, with 1-1.5 hours per capita and a coverage of 990 employees.

Regular Integrity Education

To strengthen the integrity publicity for personnel in external business positions, the Company offers "integrity education for key integrity positions," "phased integrity education" and other courses. The course lasts for about 2 hours, delivered by integrity lecturers, to analyze the requirements of integrity to the staff, remind employees of integrity in practice and prevent corruption. The Company develops standing integrity education and integrity monthly meeting requirements for various areas to ensure that integrity education is carried out comprehensively.

Executive Integrity Education

The Company regularly holds quarterly integrity alert meetings for senior leaders, lasting for 1-2 hours, to carry out integrity education and corruption prevention for directors and senior leaders. In 2023, the Company organized leaders at manager level and above to watch the anti-corruption documentary *Sound the Call to Charge Forever* to strengthen the awareness of integrity.

Partner Integrity Education

Before signing the contract with the Company, the partner shall exchange with the Company for the relevant integrity requirements of SVOLT on the partner, and sign the *Integrity Agreement*.

Whistleblowing and Whistleblower Protection

The Company actively protects the rights and interests of whistleblowers, putting a variety of whistleblowing channels and perfect investigation specifications into effect. The Company has formulated the *Notice of Integrity, Whistleblowing Control Procedures* and *Investigation and Handling Control Procedures*, which clearly define the whistleblowing channels, requirements, confidentiality measures, rewards and punishment mechanisms and other relevant contents. SVOLT encourages all staff to participate in supervision. The Company employees and partners can reflect problems and safeguard their own rights and interests through the whistleblowing mailbox, whistleblowing phone/WeChat, whistleblowing fax and other channels, and jointly maintain a corruption-free environment.

Internal Staff Integrity Training

SVOLT 蜂巢能源

Supervision · audit

All Staff Supervision to Build a Corruption-free SVOLT

All staff supervision ensures the effective implementation of the Company's system, functions to powerfully prevent and combat corruption, and is proved to be an important way for employees to safeguard their own rights and interests and participate in corporate management. The Company encourages the majority of employees to correctly exercise the whistleblowing right for the exposure of criminal and non-criminal corruption, and contribute to a fair and just, simple and transparent growth and development platform for a corruption-free SVOLT!

Scope of whistleblowing

- Accepting bribes or accepting entertainment and consumption services from business partners without permission
- Irregularities for favoritism, embezzlement or misappropriation of corporate property, etc.
- Showing a dilatory working attitude, shirking responsibilities, featuring misdeeds and omissions, and failing to perform duties properly
- Various kinds of wasteful, unreasonable and unfair behaviors or phenomena at work
- Any violation of the provisions of the Company's Anti-bribery Management System

How to whistleblow effectively

1. Identify the specific time and place of the incident, the relevant context, etc.
2. Specify the name, position and affiliation of the person being reported on
3. Provide supporting evidence such as relevant photographs, audio recordings, and color images
4. Provide open communication channels
5. Even if you are unable to provide the above information, please report any fraud you discover
6. We will take multiple confidentiality measures to protect the whistleblower's information from being disclosed

Protection of rights and interests

We strive to protect whistleblowers, punish acts of disclosure severely, and create a fair and just environment, safeguard the rights and interests of employees and combat malicious reporting.

Whistleblowing channels

Tel.: 0312-21****6
21****9
E-mail: **lianjie@163.com
**co@163.com
QQ: 15459****0
WeChat: **lianjie8
Mobile/SMS: 137312****8

Note: 6 During non-working time, a voice message can be made for whistleblowing after a voice prompt so that 24/7 services are available.

Communication platform

Please scan the QR code on the left to follow the WeChat official account for online interactive communication and the Company's anti-corruption upgrades, corruption cases, as well as integrity requirements and filing process and other information. For more information about the integrity system, please contact us on 0312-21****4.

QR code of the WeChat official account

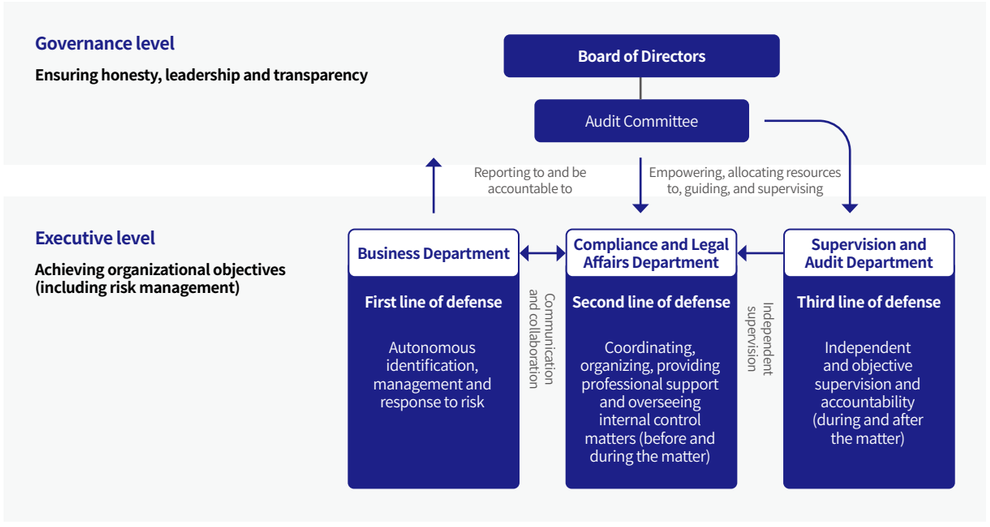
Anti-corruption Whistleblowing Board

Strict Risk Control

Internal Control

SVOLT has established a comprehensive internal control mechanism based on actual operating conditions, characteristics and management needs, covering all functional departments and subsidiaries' operation and management links. The Board of Directors is the highest decision-making body for internal control, and is fully responsible for the establishment and effective implementation of the Company's internal control system. The Audit Committee is responsible for internal control review and audit coordination. The Board of Supervisors, as a supervisory body, is responsible for overseeing the Company's internal control system. At the executive level, three lines of defense function based on the "Three-Line Principle," namely, the Business Department, the Compliance and Legal Affairs Department, and the Supervision and Audit Department, to ensure the effective implementation of internal control in terms of identifying risks, formulating measures, coordinating the organization and supervising and claiming responsibilities.

The Company has published and updated the *Basic Standard for Enterprise Internal Control, Internal Control System* and *Internal Control Self-evaluation Management System* and other systems and processes to build an internal control structure and set internal control objectives based on five elements of "internal environment, risk assessment, control activity, information and communication, and internal supervision." The aim is to strictly and comprehensively regulate all aspects of the Company's operation and bolster the Company's sustainable, stable and healthy development. In 2023, the Company organized semi-annual and annual internal control self-assessment to achieve full business coverage, and no significant or material internal control deficiencies were identified.



SVOLT Internal Control Structure Diagram

Risk Management

SVOLT integrates risk assessment and control into all aspects of business operations. The Company identifies risks based on market preferences, policies and regulations, and develops appropriate countermeasures for high risks to ensure that the Company's risk management and internal control system operates properly and efficiently.

Risk Management in the New EU Battery Regulation

In 2023, the European Parliament officially adopted the EU Batteries and Waste Batteries Regulation, also known as the New EU Battery Regulation. The Regulation provides full life cycle control of battery products, including carbon footprint, recycled material utilization, battery and material recycling efficiency, due diligence, battery passport and many other requirements. SVOLT assesses that the Regulation will pose a great challenge to the development of the industry and the export of its products, and continues to pay attention to policy trends.

During the period from the release of the draft of the new EU battery regulation in December 2020 to the official release of the Regulation in July 2023, SVOLT has continued to closely monitor the upgrades of the Regulation through its official website, domestic and international governments, industry organizations and other channels, and continuously paid attention to the key stages of the Regulation development, such as the evaluation of the European Parliament and the Council of the European Union, and the tripartite consultations. To respond to the new EU battery regulation, SVOLT has set up special teams in various fields, including product safety, carbon neutrality, sustainability, information technology support and battery end-of-life management. These teams are responsible for the Company's compliance planning and the implementation of countermeasures in the corresponding areas, helping the Company to continuously optimize the planning of the industrial and R&D layouts to ensure compliance with the requirements of the Regulation at all stages.

SVOLT actively communicates and interacts with peers to make breakthroughs and seek new opportunities. The Company provides feedback through national, local and industry organizations such as the Ministry of Industry and Information Technology, the Jiangsu Provincial People's Government, the People's Government of Hebei Province, and the China Society of Automotive Engineers. It hopes to gain approval on WTO/TBT reports when advising the national government to promote the EU to formulate the secondary bill, so that more companies can express their opinions. SVOLT suggests that the national government shall promote the harmonization and mutual recognition of carbon footprint methodologies for battery products between China and Europe.

Protecting Investors' Rights and Interests

The Company adheres to the disclosure principles of "adequacy, compliance, fairness, honesty, efficiency, and interactivity," to protect the rights and interests of investors, especially those of small and medium shareholders. It creates a smooth and diversified investor communication channel, facilitating investors to participate in the voting decision-making of the general meeting of shareholders.

In accordance with the Notice on Further Strengthening the Management of Investor Relations of Listed Companies and other laws and regulations, SVOLT has formulated the Investor Relations Management System of SVOLT Energy Technology Co., Ltd. based on the actual situation of the Company. It intends to improve the multi-channel communication mechanism, and to form a benign interaction with investors. For the Company's development strategy, business performance, production status, corporate culture cultivation and other important aspects, the Company carries out timely public disclosure, and provides official website, e-mail, investor hotline, field research and other multi-level communication channels. The aim is to widely listen to the views of investors, and actively respond to investor concerns. In 2023, the Company invited investors to participate in the Company's Media Day and Battery Day activities to promote investors' understanding of the Company's technology and products.

During the reporting period, field research to the Company totaled 32 times, including 7 times for institutions and 19 times for investors. The Company carried out offline shareholders' exchange meetings and online communication meetings for many times; the response rate of the investor hotline was 100%, and the response rate of emails was 100%.

Investor Communication Channels

- General meeting of shareholders
- Company website and investor interaction platform
- Investor hotline communication or e-mail communication
- Special institution research, analyst meetings, performance presentations, and roadshows of the Company
- Company profile, brochures, etc.
- On-site investor research or other investor communication activities
- Internet, TV, press, official account and other media channels
- Public communication activities such as Battery Day and Media Day of the Company
- Shareholder communication meeting

02

Green Action for Energy Conservation and Emission Reduction

Promoting Low-carbon Development

Embracing Carbon Neutrality

SVOLT has fully responded to the national "carbon peaking and carbon neutrality" policy and actively formulated carbon neutrality planning and management mechanism. The efforts include low carbon demand analysis, carbon emission benchmark verification, carbon neutrality target setting, carbon emission reduction initiative formulation and implementation, carbon emission monitoring, performance evaluation, and information disclosure. In terms of execution, the Company integrates carbon management team building, carbon foundation capacity cultivation and other guarantee mechanisms to implement the Company's low-carbon development goals and promote sustainability.

To facilitate the carbon neutrality, SVOLT has formed a carbon neutrality team led by the Carbon Neutrality Project Section. Based on the project, the team collaborates with the core departments of the Company such as the Operation Center, Procurement Center, R&D Center, Project Management Center, and Digital Intelligence Center. The purpose is to jointly bolster emission reduction actions, promote energy transformation, maintain the vitality of green innovation, enhance the value of investment, and gain comprehensive competitiveness.

Low Carbon Planning	Research on policies, regulations and standard systems related to carbon peaking and carbon neutrality; planning of Company's carbon neutrality target and roadmap; carbon neutrality management mechanism; the Company's carbon emission monitoring, reporting and disclosure; and development of related carbon standards
Low-carbon Products	Product carbon footprint target and roadmap planning; low-carbon product control and tracking promotion; and product carbon footprint accounting and certification
Low-carbon Factories	Organizing carbon footprint verification of each factory; organizing the progress of emission reduction projects at each factory; participating in carbon emission reduction assessments related to process and equipment changes; planning factory carbon neutrality targets and roadmap, and decomposing operational low-carbon indicators

SVOLT takes a series of measures to actively carry out product carbon footprint management, and is committed to realizing multi-path carbon emission reduction throughout the product life cycle.

Green and Low-carbon Procurement in the Supply Chain	A Green Supply Chain Management Office has been established in the Procurement Center, incorporating carbon neutrality, supplier traceability of raw material sources, and the use of green energy in production and transportation as performance assessment criteria for suppliers. Additionally, in response to customer requirements for carbon emissions, the company requests relevant suppliers to provide carbon footprint information for raw materials and establishes a database for raw material carbon footprints.
Use of Green and Sustainable Raw Materials	Based on the characteristics of different raw materials, the company formulates measures such as promoting the green electricity production of the raw material value chain and add secondary materials (recycled and reused) to reduce the carbon foodprint of raw materials.
Increased Local Procurement	Prioritizing local procurement to reduce pollutants and greenhouse gas emissions caused by logistics and contribute to the local economic development.
Energy-Efficient Production	By utilizing high-speed precise double-coating machines with automatic material loading and unloading, the company has achieved new heights in double-coating, high-speed coating, and efficient drying, resulting in a 30% reduction in electricity consumption compared to general coating machines.
Intelligent Logistics for Carbon Reduction	Optimizing logistics layout and processes, shortening transportation distances, improving logistics efficiency, and constructing satellite factories near core customers to reduce transportation distances of module/PACK and emission.

Creating a Zero Carbon Lithium-ion Battery Industrial Park

SVOLT takes the lead in actively pursuing investment projects in the lithium-ion battery industry chain to establish the SVOLT Dazhou Zero-Carbon Industrial Park. The park is dedicated to the comprehensive utilization of wind, solar, ESS and charing, aiming to achieve the goal of a zero-carbon park through the development of a virtual power plant and facilitating green energy transactions through an operations and maintenance platform.

Advantages of SVOLT Zero Carbon Industrial Park

Location Advantages

The park is strategically located at the central junction of the "Sichuan-Chongqing-Shaanxi" region, serving as a key hub for the Silk Road, Yangtze River Economic Belt, Chengdu-Chongqing Dual-City Economic Circle, and the Wanzhou-Dazhou-Kaizhou Integrated Development Demonstration Zone. It serves as an important gateway for Dazhou and the eastern opening of Sichuan Province.

Industry Chain Advantages

In terms of the layout of the industrial chain, the Dazhou Zero-Carbon Li-ion Battery Industrial Park will build a serious of production lines and industrial chain related supporting projects, which includes the cathode material production line for LFP and NMx, precursor material and electrolyte production line for LFP, battery recycling and disassembly line, and power battery assembly line. This aims to create a comprehensive lithium-ion battery industry chain for SVOLT in the southwestern region.

Resource Assurance Advantages

The park benefits from abundant and cost-effective electricity, natural gas, phosphate, and ammonia water resources. It ensures a reliable and sufficient supply, along with rich reserves of lithium mineral resources for development.

Industrial Fund Advantages

The SVOLT Dazhou Zero-Carbon Industrial Park is establishing an industrial investment fund dedicated to investing in enterprises within the park.

Climate Resilience

In the face of climate change, SVOLT continues to seek strategies to enhance its climate resilience. The Company participates in CDP corporate ratings for mitigating climate change, and discloses in detail the Company's climate change measures and results achieved through questionnaires. The Company was rated as "C" for climate change from CDP in 2023.

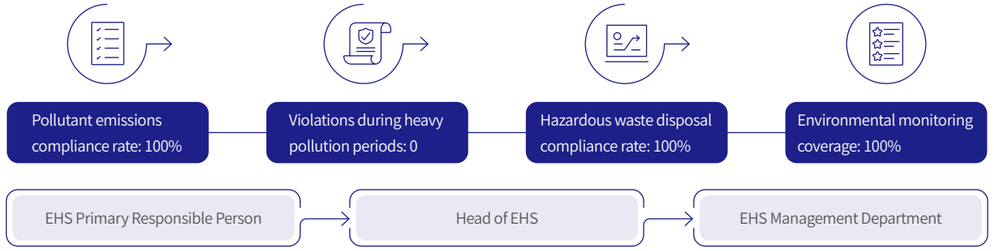
Types of Climate Change Risks	Potential Impacts of Climate Change Risks	Potential Financial Impacts	Actions Taken by SVOLT
Transition risk			
Policy and Legal Risks	Overseas impacts: In July 2023, the European Union (EU) officially released the new battery regulation 2023/1542. For the first time, the new battery regulation proposes that carbon footprint disclosure, grading, and threshold requirements must be gradually implemented. The earliest disclosure deadline is February 2025, and time is running out. For batteries exported to the EU, if the carbon footprint is not reported as required or the maximum limit is exceeded, it will result in the risk of these batteries being unable to be sold in the EU. Domestic impacts: The *Opinions on Accelerating the Establishment of Product Carbon Footprint Management System* (FGHZ [2023] No. 1529) specifies that by 2025, the state will have introduced about 50 key product carbon footprint accounting rules and standards, initially built a background database of carbon footprints of key industries, and basically established a national product carbon labeling certification system. Power battery products are categorized into the key products and are in the first batch of pilot. Ineffective low carbon control of products will give rise to violations of national standards and regulations.	Declined revenue caused by lower demand for products and services	In view of the carbon emission policy and standard risks of the Company's products to be marketed to Europe, the Company organizes the project team of related products to conduct continuous tracking, analysis and judgment of the new EU battery regulation and the secondary bill, and to analyze the impact of the standard and policy provisions one by one. The Company participates in the preparation of regional standards and organization standards on carbon footprint accounting for power batteries to seize the first opportunity and build up brand image. It actively participates in pilot certification and collaborates in the creation of a carbon background database. The Company has initially established a carbon emission monitoring and accounting system, and launched a thorough trial calculation for products to be marketed to Europe. It makes continuous efforts to promote the disclosure of carbon footprints in the supply chain and collaborative carbon emission reduction, while taking practical countermeasures, such as the establishment of carbon databases and the technical storage of low-carbon materials.
Technical Risks	Demand for reduced product carbon footprints in the upstream supply chain of the new energy vehicle market is increasing. However, most suppliers in China produce under a coal-dominated electricity supply system, leading to a relatively high carbon emission factor. The procurement of green power requires higher cost inputs. At the same time, the use of new low-carbon raw materials poses the risk of increased costs for sourcing upstream raw materials.	Increased manufacturing costs	SVOLT is formulating a series of measures for sustainable suppliers and low-carbon material supply. This includes establishing a Green Supply Chain Management Department, setting green supplier admission standards, introducing secondary aluminum materials, and reserving suppliers of clean aluminum materials as low-carbon material reserves. SVOLT recognizes the importance of obtaining a large amount of low-cost green electricity and has planned to establish production bases in regions with abundant green energy resources, such as the southwest. They have planned for on-site photovoltaic installations with a capacity of 268MW to ensure a reliable supply of green electricity. In the future, they will continue to reduce electricity carbon emissions in the manufacturing process through diversified green energy measures.
Physical risks			
Acute Risks	Extreme weather can pose health hazards for outdoor workers and result in potential damage to fixed assets.	Increased operating costs	SVOLT has developed emergency response plans for sudden environmental incidents and established an interactive mechanism with local governments. They regularly organize drills and continuously improve their emergency response system for sudden environmental events.

Practicing Green Production

Environmental management system

SVOLT strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution* and other laws and regulations. It has established a perfect EHS organizational structure and management system. The Company has set up environmental protection goals. The Chairman of the Company serves as the first person in charge of EHS. The Company has set up the EHS Management Department and implemented EHS standards at each base. The EHS Management Department at the headquarters enhances management of the EHS of each non-independent legal entity base. At present, SVOLT headquarters, Baoding Branch and Wuxi Branch have all gained ISO 14001 environmental management system certification.

SVOLT Environmental Protection Goals



Starting from 2022, SVOLT has launched the "EHS Total Waste Elimination" program, aiming at reducing EHS-related waste by RMB 30 million. The Company has set up standardized processes for environmental protection, identifying waste points such as water treatment, hazardous waste reduction and NMP black waste liquid, and developing detailed action plans.

Standardization of Environmental Protection

	Water treatment	Hazardous waste reduction	NMP black waste liquid
Waste point	• Domestic sewage generation and discharge • Production wastewater generation and discharge	• Activated carbon • Waste glue • Decrease in variety • Interprovincial transfer • Cleaning electrolyte	• The NMP black waste liquid from cleaning is sold directly, which is less economically efficient than that after purification.
Elimination plan	• Internal and external benchmarking to reduce water consumption and waste generation • Projects with environmental impact assessment approvals: Establish water use standards to reduce wastewater generation • Projects without environmental impact assessment approvals: Domestic sewage and production wastewater are treated and discharged separately	• Expert certification, change of environmental impact assessment to reduce the type of hazardous waste, and reduction of the need for activated carbon replacement according to actual conditions • Benchmarking of hazardous waste treatment prices within the industry, horizontal comparison of the treatment prices of various bases, combined treatment of hazardous waste in a certain place in the province, and inter-provincial transfer and treatment of hazardous waste in neighboring provinces	• Optimization of the black waste liquid treatment plan and standardization of the black waste liquid treatment mode in each base • For the black waste liquid from bases around Changzhou, we consider regularly transporting it to the Changzhou Base at off-peak time for purification and treatment before selling or entrusting it for processing; for the black waste liquid from Suining and Chengdu, we consider setting up a shared purification device in one of the two places.

Energy Management

To ensure the stable and efficient use of energy, SVOLT has formulated the *Energy Management Regulations* to standardize the energy management and supply process, and to ensure that the energy supply process is safe, stable and effective to meet the Company's production and living needs. The Company effectively implements carbon emission reduction actions through the utilization of clean technology, energy conservation and emission reduction.

Energy Conservation and Emission Reduction

SVOLT continues to promote energy conservation and emission reduction, develops and implements the *Incentive Mechanism for Cost Reduction and Efficiency Improvement of SVOLT*, and carries out energy conservation projects through equipment upgrading and lean control to reduce GHG emissions. On the one hand, the Company is gradually upgrading its fossil fuel equipment to electric equipment, including the procurement of electric forklifts to replace diesel forklifts and the procurement of new energy vehicles for new commercial vehicles. On the other hand, the Company has formulated energy conservation programs, and adopts energy-saving LED lamps for lighting. It stipulates the number of switch lamps, provides sensing and voice-control devices, dynamically switching lamps, and implements an energy-saving control mechanism of "lights on upon people coming and off upon people leaving." It has formulated the *Regulations on the Management of Air-conditioning Use*, which clearly stipulate the use time and temperature control of air-conditioning in production and office premises, realizing centralized control and management and effectively reducing energy consumption. In 2023, SVOLT carried out 116 energy-saving technical improvement projects in 5 categories, namely process/equipment upgrading, resource allocation optimization, lean control, repair and maintenance, and recycling of surpluses, with a total reduction of 41,691 tons of carbon emissions.

Case: Zero Air Consumption Improvement of the Air Compression Dryer Leads to a Reduction in Air Consumption Loss of the Dryer by 5%

During cold blowing in the regeneration step of the SVOLT (Changzhou) dryer, compressed air equivalent to 5% of the inlet air volume of the dryer will be consumed, and this compressed air will be discharged into the atmosphere to cause waste. By upgrading and transforming the compression thermal regeneration dryer, we change its work flow, employ waste heat regeneration of the air compressor, and use cold blowing of the two-stage cooler to enable the dryer to operate at zero air consumption. We aim at achieving energy conservation and reduction of system pipe network pressure fluctuations. Through improvements, we save 2,252,000 kWh of electricity every year and reduce 1,338 tons of CO_2 emissions.

2,252,000 kWh of electricity saved annually through improvements

1,338 tons of CO_2 emissions reduced

Case: Waste Heat Recovery from Steam Condensate

SVOLT (Changzhou) utilizes and recycles the waste heat from steam condensate to the dehumidifiers for post-heating to regulate the temperature of the workshop, which reduces the supply of steam for post-heating of the dehumidifiers, saves 3,459 tons of steam per year. In addition, adding energy-saving lithium bromide chiller equipment can recover and utilize the waste heat of steam condensate for refrigeration; using steam condensate as a heat medium reduces the amount of steam used in the dehumidifiers, and reduces the use of steam from the source. The above modifications can achieve annual electricity savings of 2,965,200 kWh, steam savings of 3,680 tons, and a reduction in CO_2 emissions of 2,924 tons.

2,965,200
kWh electricity savings annually

3,680
tons of steam saved annually

2,924
tons of CO_2 emissions reduced

Clean Technology

With a mission of "Green Energy Everywhere", SVOLT focuses on the research, development, and production of power batteries and energy storage systems. It consistently demonstrates the vitality of the green and low-carbon new industry, taking an active position in the fields of climate change and low-carbon development.In 2023, the Company's annual power generation of renewable energy was 38,696 MWh, all of the power was self-generated and self-utilized, and the proportion of local consumption of renewable energy reached 100%.

Case: Promoting Renewable Energy Construction and Accelerating New Energy Supply

SVOLT actively uses clean energy such as solar energy. It constructs rooftop photovoltaic power stations on company buildings. It has built a total installed capacity of 104 MW, with a planned photovoltaic scale of 268MW, and a 128MWh energy storage project in the same period, resulting in a PV-storage intelligent energy supply system.

To further strengthen the energy management capability, the Company builds the PV-storage integrated intelligent energy control system. Through the installation of environmental monitoring system for solar power generation in the PV grid connection point, the Company can monitor the data and conduct intelligent measurement of generated power, providing a basis for corporate energy regulation. SVOLT builds a comprehensive digital energy management system to realize remote intelligent link regulation and reduce the corporate energy load through real-time analysis of data.

Rooftop PV Power Plant

Case: Suining Uses All Green Electricity for Near-zero Carbon Production

SVOLT takes advantage of ecological layout and establishes manufacturing bases in Sichuan Province and other areas with rich green electricity resources. The Suining Factory signed a strategic long-term agreement for hydropower in Sichuan Province in 2022 to guarantee access to a reliable supply of green electricity, achieving 100% renewable electricity production and the reduction of 68,176 tons of CO_2 for the year.

Achieving **100%** renewable electricity production and a reduction of **68,176** tons of CO_2 for the year


溯源结果编号(Traceability Result No.)：Y3QWL90UL730PCE0NO-856

四川电力交易中心

电量溯源结果

Electricity Traceability Results

兹证明，该企业在消纳周期内用电量为23172.92兆瓦时，清洁能源用电比例为100.00%，其中水电占比76.41%，风电占比22.39%，太阳能发电占比1.20%，生物质发电占比0.00%，燃气发电占比0.00%。

It is certified that during the consumptive cycle, the electricity consumption of the company is 23172.92MWh, the company's clean electricity consumption ratio is 100.00%, in which hydropower ratio is 76.41%, wind power ratio is 22.39%, solar power ratio is 1.20%, biomass power ratio is 0.00%, gas power ratio is 0.00%.

消纳方名称 (Consumptive Party Name)：蜂巢能源科技(遂宁)有限公司

消纳方所在地 (Consumptive Site)：四川省

消纳周期 (Consumptive Cycle)：2023年1月01日-2023年4月30日

消纳电量 (Electricity Consumption)：23172.92兆瓦时

清洁能源类型(Clean Energy Type)：水电、风电、太阳能

扫码获取详情

SCPX 四川电力交易中心

出具时间：2023年12月13日

Issued Date:2023-12-13

本电量溯源结果由四川交易中心提供支持

Water Resource Management

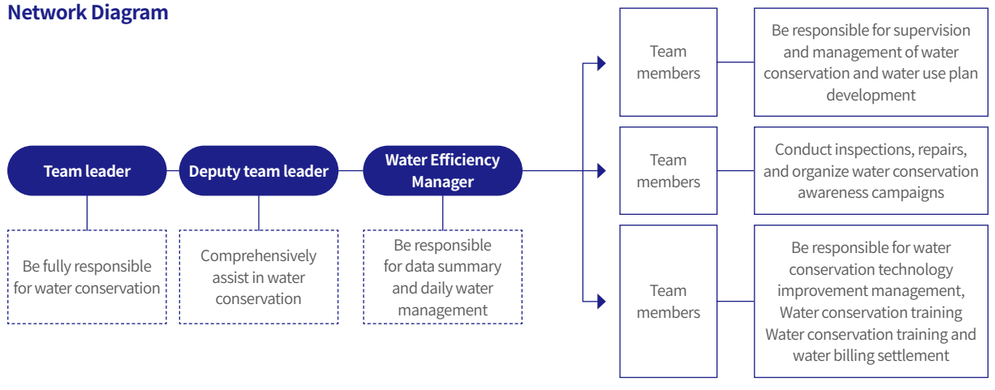
SVOLT attaches great importance to the management and conservation of water resources, and has formulated a series of management documents, such as the *Water Management System* and the *Water Conservation Post Responsibility System*. It effectively improves the efficiency of water resources use and enhances the awareness of water conservation among all employees. In 2023, the total water consumption of the Company was 3,458.91 megaliters.

The Company has set up a leading team of water conservation with the manager as the leader and the supervisor as the Deputy team leader. It has established a network of water management, and designated people to inspect the Company's water pipe network for running, bubbling, dripping, leaking and other phenomena. It urges the water consumption department to establish and improve the files, accounts and monthly reports on water consumption, and deal with the problem identified in a timely manner.

To further employees' water conservation awareness and guide employees to develop good habits of water conservation, water love and water conservation in their working life, the Company adopts water conservation faucets, posts water conservation logos and organizes a series of water conservation publicity activities with rich contents and distinctive features, including organizing water conservation training, posting water conservation slogans and distributing water conservation publicity brochures.

Water Conservation Training of SVOLT

SVOLT Water Conservation Management Network Diagram



Management of Wastewater, Exhaust Gas, and Solid Waste

The Company carries out strict control and treatment of waste generated in the course of production and operation, and has formulated plans to gradually improve the processing efficiency of wastewater and exhaust gas processing facilities and reduce the emissions of wastewater and exhaust gas. The Company regularly conducts clean production audits, proposes programs to reduce or eliminate waste, and establishes management systems to support the development of cleaner production.

Exhaust Gas Management

SVOLT strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Comprehensive Emission Standards for Air Pollutants* and other laws and regulations, and has formulated the *Pollutant Management and Control Procedures*, the *Specification for Air Pollution Prevention and Control Management*, the *Specification for the Operation and Technical Management of Activated Carbon Adsorption Based Exhaust Gas Treatment Facilities* and other documents to ensure the compliance of exhaust gas discharge.

NMP Emissions	The NMP emissions generated from the coating and drying processes are collected through a fully enclosed collection system and directed into a secondary condensation recovery system. The majority of the gas is recycled and reused within the drying system. After condensation, a small portion of the waste gas undergoes secondary water spraying and is systematically discharged, effectively minimizing the emission of NMP.
Electrolyte Emissions and Vacuum Pump Emissions	After undergoing secondary alkaline activated carbon adsorption, the emissions are systematically discharged.

Wastewater Management

SVOLT strictly abides by the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Integrated Wastewater Discharge Standard* and other laws and regulations, and has formulated the *Water Pollution Prevention and Control Management Standards*. The principle of "separating rainwater from sewage, separating clean water from polluted water, separating different types of wastewater, separating cold and hot water, classifying collection, treating based on quality, recycling, and achieving standard discharge" is adhered to for the management of generated wastewater. It strictly implements the annual monitoring plan of the pollution sources, and conducts regular monitoring to ensure that the pollutants meet the standards of discharge.

Waste Management

SVOLT strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution* and has formulated the *Regulations on Waste Management*. The Company classifies solid waste based on its nature into valuable waste, valueless waste, hazardous waste, and non-valuable/valueless waste. According to the Waste Classification List, the solid waste is stored and segregated in corresponding temporary storage areas or warehouses. Regular processing is conducted, and hazardous waste is entrusted to qualified entities for compliant disposal. In 2023, the comprehensive utilization amount of the Company's hazardous waste was 149.41 metric tons. The Company actively organizes and carries out special training for waste classification to further enhance the ability of employees to correctly dispose of waste.

Battery Recycling

Recycling of power batteries can effectively reduce environmental pollution and protect ecological safety, while also helping to recycle resources and promote the sustainable development of the new energy power battery industry. SVOLT has been engaged in the battery recycling since 2022, and it established a 100% owned subsidiary, TengQingQing Renewable Resources (Shangrao) Co., Ltd.

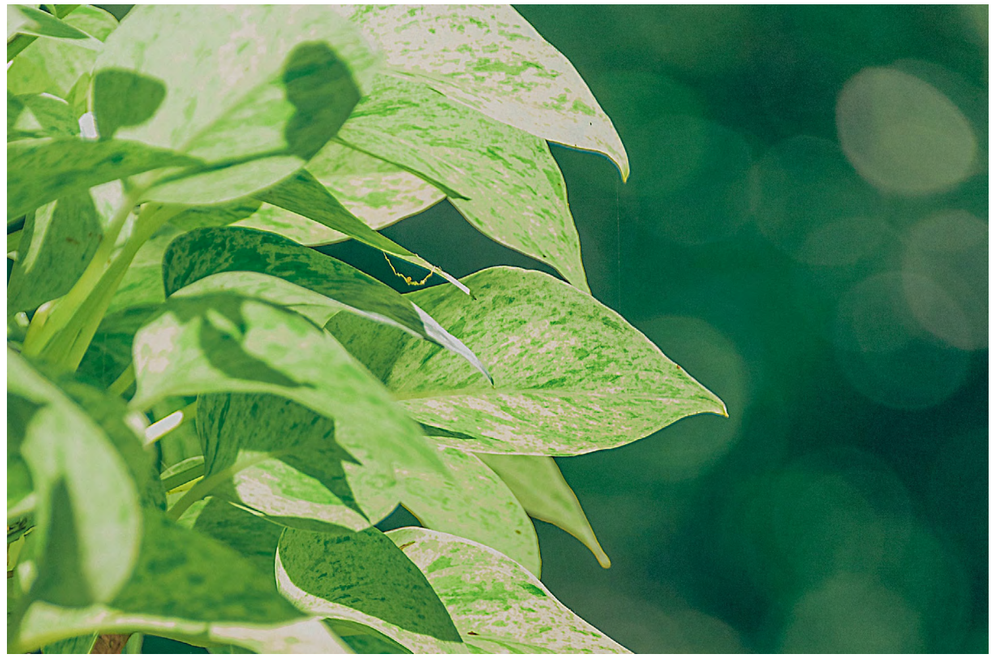
In terms of technologies, TengQingQing engaged in deep cooperation with Central South University in production and research, and develops the advanced technology of the industry in advance. The Company optimizes three key process routes, namely "harmless battery teardown," "wet process recovery of LFP" and "wet process recovery of NMC" It improves the recovery rate of elements and reduces recovery costs through four major innovations, namely, safe and green recovery, selective prioritized lithium extraction, process shortening and all-element recovery. The cost of recycling NMC is 8% lower than that of the industry peers, and the cost of LFP is 5% lower than that of the industry peers. When it comes to the market recycling, TengQingQing has synchronized the construction of the "online + offline" channel models, built its own Internet trading and consulting platform, and carried out a multi-channels layout, including battery banks, OEMs, battery factories, and self-built outlets.

Case: TengQingQing and Miracle Automation Established the Second Joint Venture for Battery Recycling

In 2022, TengQingQing and Guizhou CNGR Resource Recycling Industry Development Co., Ltd., a holding subsidiary of CNGR Advanced Material Co., Ltd., jointly established Changqingteng Renewable Resources (Shangrao) Co., Ltd. to conduct harmless dismantling of recycled batteries. Harmless dismantling factory was formally put into operation in December 2022, with an annual processing capacity of 20,000 tons of waste electrodes/batteries.

On top of that, in 2023, TengQingQing and Miracle Automation established the second joint venture for battery recycling dedicated to improving the teardown capacity and efficiency through hydrometallurgy technologies and reducing recycling pollution. The joint venture factory is expected to commence operation in December 2025 with an annual production capacity of 5,000 tons of lithium carbonate and 20,000 tons of iron phosphate. A hydrometallurgical factory for NMC is under planning with an annual production capacity of 5,000 tons of lithium carbonate and 30,000 tons of sulfate.

Global Innovation R&D Center of TengQingQing



Biodiversity Conservation

SVOLT continuously pays attention to the impact of its activities, business and services, etc. on biodiversity, and complies with the relevant requirements of the *Opinions on Further Strengthening Biodiversity Conservation*, to contribute to the realization of the overall targets of 2025 and 2035.

The Company has set targets for biodiversity and ecosystem protection. The efforts include ensuring that the integrity and health of river ecosystems in the Company's vicinity are not compromised, that aquatic habitats and their aquatic biodiversity are protected from negative feedbacks, and that the services and regulatory functions of river ecosystems in the Company's vicinity are maintained. With these goals in mind, SVOLT ensures the reduction and avoidance of impacts on biodiversity during production and manufacturing activities.

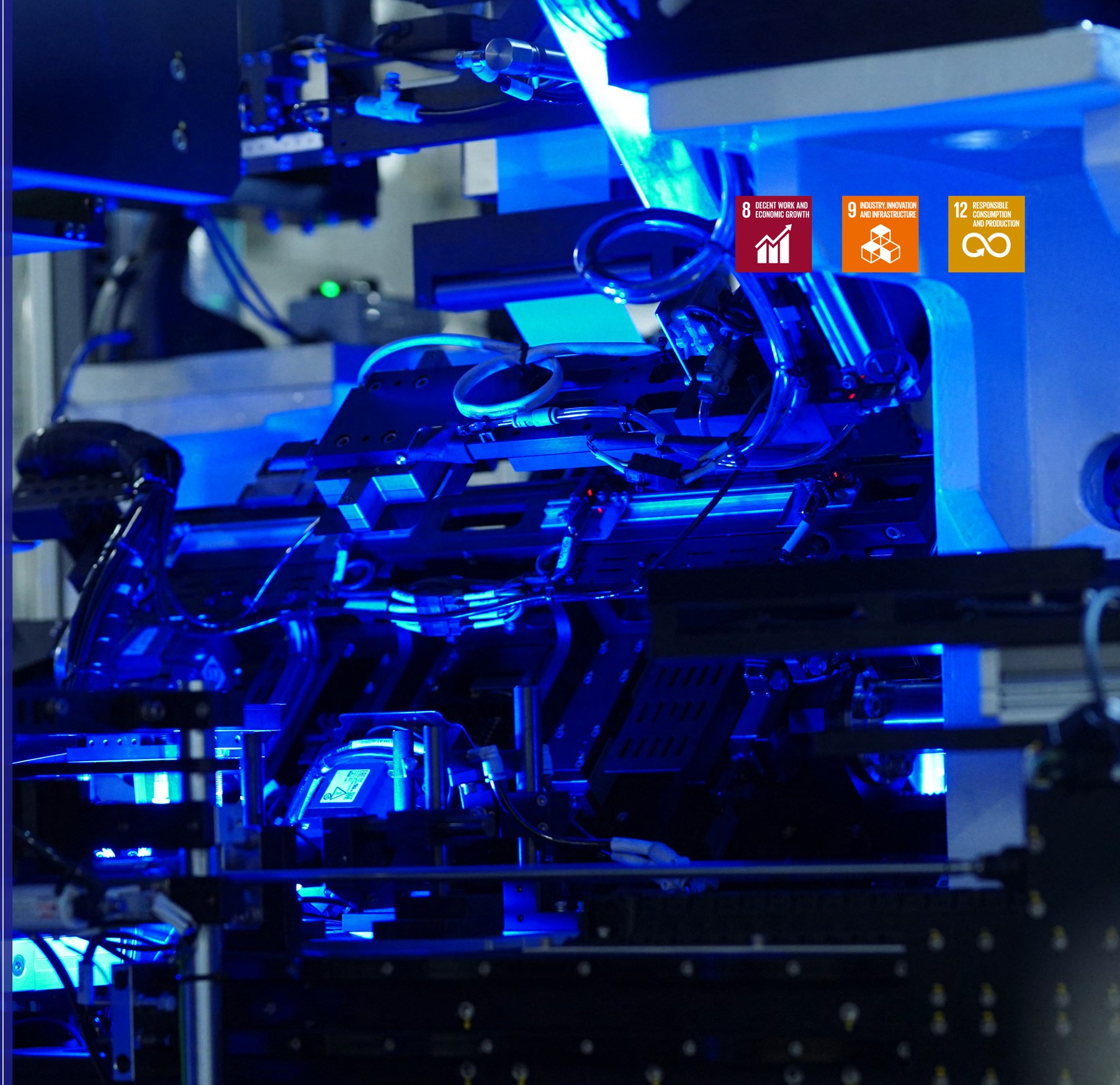
The business activities carried out by SVOLT will change the type of land use to industrial land, which will cause changes in the soil. The changes include reduced permeability of soil and the unsaturated zone due to surface hardening, alterations in the organic environment of surface soil leading to changes in microbial community composition and species diversity, thereby affecting the replenishment and discharge patterns of groundwater and the spatiotemporal evolution of water quality and quantity. As of the end of 2022, the soil changes caused by industrial land use have not had a significant impact on biodiversity.

Creating Green Culture

SVOLT is committed to publicizing EHS knowledge. By focusing on the EHS culture, we carry out environmental protection knowledge training on an annual cycle. Through thematic activities such as Environmental Protection Month, Energy Conservation Publicity Week, and National Low Carbon Day, we popularize the knowledge of environmental protection and carbon reduction among our employees, advocate a green way of life, and enhance their awareness of environmental protection. In 2023, the Company conducted 149 employee training sessions on the topic of environmental protection, with 52 hours of training, covering 2,921 employees.

03

Technological Innovation and Service Excellence



Innovation Driven

SVOLT adheres to the core values of "Customers First, Striver-Focused, Innovation-Rooted, Synergy-Supported," insists innovation as the primary driver for corporate development, and integrates the green and low-carbon concept into every link of R&D and production. In 2023, the Company's R&D investment amounted to RMB 1.04 billion, 9.41% of operating income.

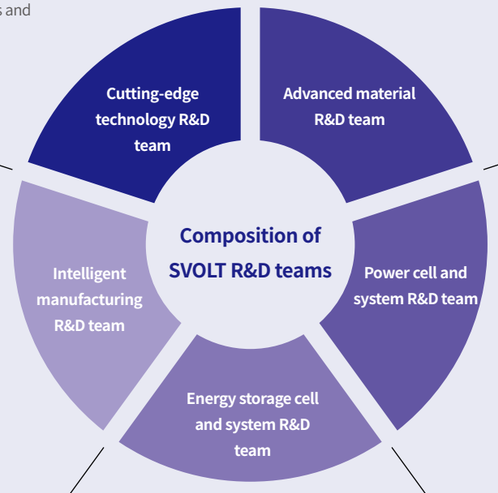
R&D Innovation System

SVOLT adheres to independent R&D and innovation-driven product upgrading, and promotes the effective integration of product quality improvement and sustainability. The Company has constructed a full chain R&D system from technology, material, system and manufacturing, and is committed to creating differentiated and innovative products. Through the integration of its own advantageous resources, it promotes the R&D of innovative technologies and their application, to boost the Company's high-quality development.

To promote the effective implementation of the R&D innovation system, the Company has set up a professional team and continuously optimized the scientific and technological talent structure. By the end of 2023, SVOLT boasts 2,257 R&D personnel, with five R&D teams for cutting-edge technologies, advanced materials, power cells and systems, energy storage cells and systems, and intelligent manufacturing, to comprehensively enhance product R&D innovation capabilities. The Company is committed to contributing to a greener and more intelligent world.

Responsible for front-end technology exploration, focusing on the next-generation battery technology and the development of innovative battery technologies, such as solid-state batteries, lithium metal batteries and other new batteries.

Responsible for independent research on advanced materials, including cobalt-free cathode material, LFP, NCM, anode, separator, electrolyte, and other new functional materials.



Responsible for the research and development of various intelligent devices and automated production, including cell production lines, pack production lines, and advanced software control program development, to establish advanced AI-enabled manufacturing capabilities.

Responsible for developing high-performance battery cell products and advanced system integration technologies, providing power battery solutions to domestic and international automotive companies. This includes areas such as cell modules, battery pack, and battery management systems (BMS).

Responsible for developing high-adaptability, long-cycle energy storage cells, and advanced energy storage system products, providing optimal solutions for domestic and international residential, industrial & commercial, and grid-scale energy storage.

R&D Innovation Results

In the green energy revolution, SVOLT has been exploring the new generation of battery technology with unremitting innovation spirit, providing innovative solutions for the optimization of energy structure and sustainability. The Company's R&D innovation results cover six major fields, namely, standard innovation, process innovation, material innovation, cell innovation, structure innovation, and Battery Management System (BMS) innovation. The Company boosts the development of technological innovation in the industry through the whole chain. In 2023, the Company made large breakthroughs in technology, the new developed 2.2-5C fast-charging short blade batteries, CTC battery system, High-Speed Stacking Technology 3.0 are applied on production line for mass production.

Standard innovation	Process innovation	Material innovation
SVOLT took the lead in building the industry's first automotive-grade AI-enabled power battery factory in Jintan, Jiangsu Province, setting up a stringent standard for power battery production and manufacturing in the industry.	SVOLT innovatively pioneered the application of the high-speed stacking process to produce prismatic cell. The company has successfully produced and launched stacking prismatic NMC cells, leading the power battery industry into the stacking era.	SVOLT performs R&D innovation of cobalt-free cathode materials, nano-mesh silicon anode and NCMA cathode materials.

SVOLT Innovation Result Matrix

Cell innovation	Structure innovation	Battery Management System (BMS) innovation
We use the "level 4" particle size compounding technology for cathode to improve compactionpressing density and reduce internal resistance. We use anode material surface finishing technology and primary and secondary particle compounding technology to reduce the particle size and shorten the solid diffusion distance. We use low-viscosity solvents for electrolytes and new lithium salts to improve lithium ion transmission rates and stability. The full-tab design of the electrode tip results in a larger cross-sectional area and a more uniform current density. The short blade features an integrated structure design of direct welding and current flowing to improve the cell power performance.	We develop Dragon Armor battery. Its innovative short blade cell structure incorporates a Bottom Vent Design, while the system level adopts an advanced Thermal-Electrical Separation design and double sided cooling to enhance heat exchange capacity. The structural design combines high-strength steel with an elastic bracket, ensuring multiple safeguards for safety performance.	We create a global intelligent battery monitoring and analysis platform "SVOLT Cloud". Leveraging machine learning and AI technologies, the platform is built upon battery digital twin technology to achieve comprehensive intelligent monitoring of battery operation status.

SVOLT R&D Innovation Highlights 2023

Stacking process upgrade

In 2023, the high-speed stacking technology developed by the company integrated functions such as electrode unwinding, cutting, hot pressing, online CCD inspection of stacking, and Hi-pot defect detection. This technology ensures product quality and achieves a production efficiency of 0.125 seconds per piece, surpassing the manufacturing speed of winding processes. The speed has allowed mass production and application and contributed to energy conservation and emission reduction while driving the industry's technological innovation and development.

High-Speed Stacking	Gen.01	Gen.02	Gen.03
Productivity	0.6 seconds/piece	0.45 seconds/piece	0.125 seconds/piece

CTC battery development

In 2023, SVOLT developed CTC battery with high integration and safety, and low-cost. We design CTC batteries based on the concept that the battery packs can replace vehicle floors and integrate with seat mounting beams. We adopt parallel flow channels design for the system to improve heat exchange efficiency and achieve 4C step fast charging. With regard to the product, we adopt low-cost solutions for rolled steel lower cases and silver-gold stamped lower cases. In terms of structure, we use high-strength steel + new materials for bottom protection. Multiple designs ensure product safety and reduce product cost. The development of CTC batteries follows the trend of the industry and has accumulated several technological achievements. The high level of integration of the system provides the most economical design route for the vehicle.

CTC battery system

Intellectual Property Management

Intellectual property management system

SVOLT attaches great importance to independent R&D and considers intellectual property protection an important means of strengthening its competitiveness. The Company has formulated several intellectual property protection policies such as the *Regulations on Patent Management, Regulations on Copyright Management*, and *Regulations on Intellectual Property Risk Management*, and has been awarded the GB/T29490-2013 Certificate of Intellectual Property Management System, which builds up the Company's intellectual property management system in an all-round way.

In 2023, the Company carried out functional maintenance of the intellectual property management system and upgraded the patent retrieval database to ensure that R&D personnel could accurately and correctly search for patents in the required fields, as well as control the planning of SVOLT's patent portfolio in various technological fields. In 2023, the Company invested RMB 151,900 in the construction of intellectual property protection infrastructural resources and was authorized a total of 4,743 patents.

Certificate of Intellectual Property Management System of SVOLT

Intellectual property risk management

SVOLT has conducted meticulous intellectual property risk analysis and prepared a patent portfolio planning strategy for overseas business expansion. The Company has set up a specialized overseas intellectual property team and established cooperative relationships with local high-quality legal service teams to ensure that the Company's intellectual property rights in overseas markets are effectively protected.

Before product export, the Company comprehensively studies the legal environment of intellectual property rights in target exporting countries, including policies and laws, judicial procedures, and infringement compensation standards, to avoid potential patent risks. In addition, the Company classifies patent risks and files patent applications with the target exporting countries through various channels to improve its patent portfolio planning. When exporting products, the Company fully inquires about the risk of trademark infringement and, according to the Company's business, timely supplements the registration to apply for protection and overseas filing. For OEM products, the Company strictly examines the legitimacy of intellectual property rights to avoid infringing the rights and interests of third parties.

Cultural construction of intellectual property rights

SVOLT is committed to fostering a company-wide cultural atmosphere of intellectual property rights, enhancing employees' awareness of intellectual property by improving the incentive mechanism and training mechanism, and carrying out activities to publicize and guide intellectual property culture.

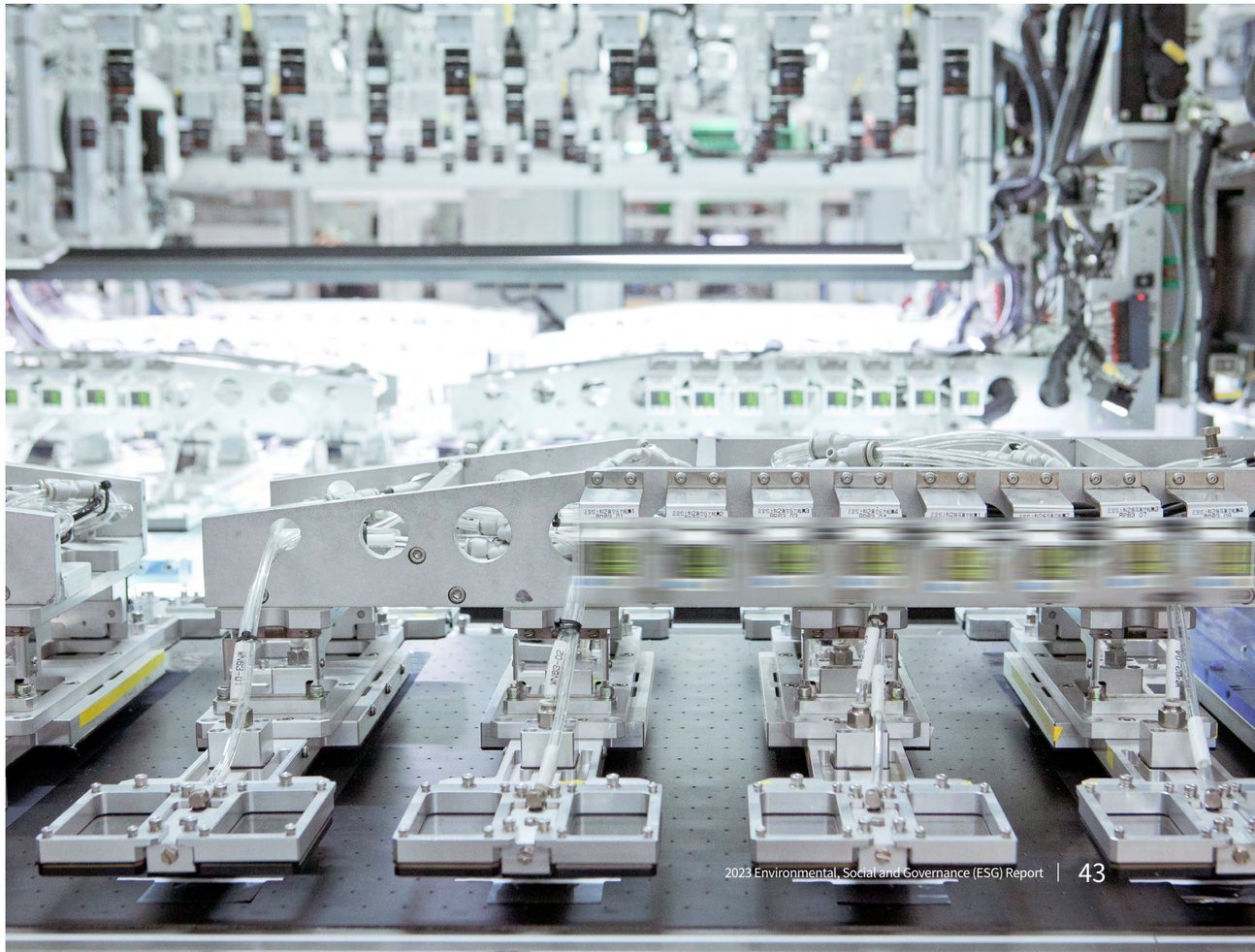
To motivate the enthusiasm of the technical personnel, SVOLT has established the *Regulations on Patent Incentive Management* and set up various awards, including the "Invention and Innovation Award", the "Intellectual Property Contribution Award", and the "Distinctive Individual Award", and rewards employees strictly according to the degree of their contribution as provided. In 2023, the Company invested RMB 2,651,300 in patent incentives.

The Company formulates intellectual property training programs every year. For technical personnel, based on the number of years of entry and mastery of patent skills of employees, the Company divides them into different levels, develops corresponding training courses, and regularly invites intellectual property experts and well-known agents to conduct practical training on the analysis of patent information; for the non-R&D departments such as marketing, human resources, and authentication, the Company provides training and daily communication for the work of the functional business involving intellectual property rights. Moreover, the Company has joined the China Intellectual Property Society, Automobile Intellectual Property Association of China-SAE, and other organizations, and regularly organizes personnel to participate in external training to increase interaction with the industry.

For regular publicity, the Company utilizes the patent management system to push the relevant policies and laws, case study, industry trends, and other information to all employees and carries out annual thematic awareness-raising activities on intellectual property protection on April 26, the World Intellectual Property Day, to continuously strengthen the cultural construction of intellectual property protection.

Case: "Anhui Provincial Patent Gold Award" for the Patent of Cobalt-free Cathode Material

SVOLT has built a comprehensive intellectual property protection system by deepening the patent portfolio planning. The patent of cobalt-free cathode material, "A Cathode Material and its Preparation Method and Lithium-ion Battery", won the "Anhui Provincial Patent Gold Award", which demonstrates the Company's technological innovation capacity. This technology improves the energy density, service life, and safety of new energy products, alleviates consumers' concerns about driving range and safety, and proposes a solution to the problem of mineral resources supply.

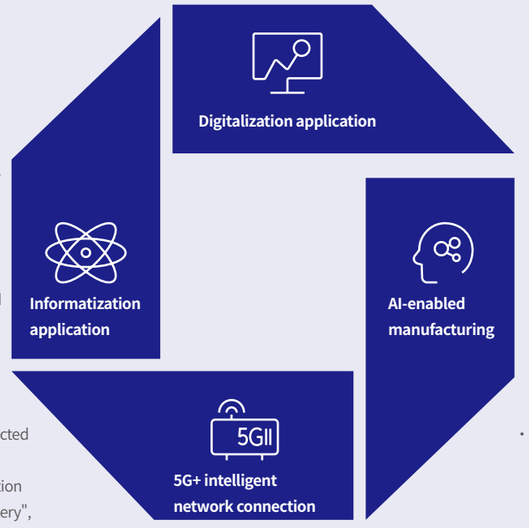


Intelligent Manufacturing

Adhering to the corporate vision of "To Be a Global Energy Interconnection Technology Company", SVOLT integrates original resources such as stacking, cobalt-free green batteries, automotive-grade AI manufacturing technologies and processes, and is committed to realizing leading technology, products, and cost control, and vigorously promotes intelligent manufacturing to lead the battery industry to a highly efficient and intelligent future.

The Company has now introduced advanced "high-speed stacking" equipment, totaling about 100 sets, in its three manufacturing bases in Yancheng, Shangrao, and Chengdu. They provide the Company with a capacity of up to 40GWh, a production yield of 98%, and a probability of product defect detection of 100%. In addition, a number of the Company's manufacturing bases introduced the AI visual inspection algorithm and related equipment for production line that independently developed by its subsidiary, Dr. Octopus, realizing an overkill rate of less than 0.5 and an underkill rate of 0. In 2023, the Company received several honors, including the first prize in the "5G Guanghua Cup" Intelligent Manufacturing Competition (Ministry of Industry and Information Technology), "National-level 5G Factory" (Ministry of Industry and Information Technology), "AAA Rating of National Informationization and Industrialization Integration Management System" (the highest rating), Special Funds for "5G+ Industrial Internet Integration Application in Jiangsu Province", "Best Practices in Intelligent Manufacturing in China" (E-Works), and "Benchmark Smart Factory in China" (E-Works). In the future, SVOLT aims to further improve the comprehensive yield of production line equipment and labor productivity, promote the application of AI technology verified in its own production capacity to the whole industry, and boost the transformation and upgrading of intelligent manufacturing in the industry.

- Through the equipment digitization system and in-depth application of information technology, the Company has formed the closed-loop management of equipment fault submission and reporting, quick response to orders and maintenance knowledge, and improved the output capacity of the whole production line and the comprehensive yield of cells.



- The Company has built a factory digital twin system, using factory simulation and module standardization to significantly shorten the factory construction cycle.
- The Company has constructed the special project of "5G+ Industrial Internet Integration Application for Power Battery", and implemented it in 15 scenarios such as 5G+ work safety, 5G+ disassembling and analyzing of cells, 5G+ radioactive source monitoring, 5G+ AR remote operation and maintenance.
- The Company has implemented more than 100 AI-based projects, covering main process steps of battery manufacturing, and improving the efficiency of defective product detection.

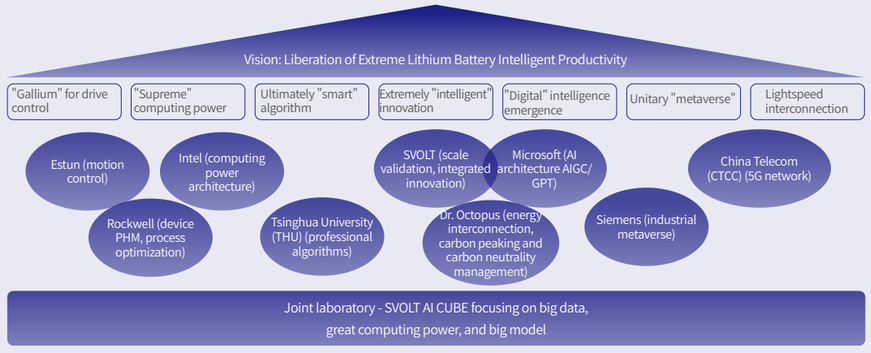
Case: Establishment of the "Alliance for the Liberation of Extreme Lithium Battery Intelligent Productivity", and High-end AI-Empowered Manufacturing

Facing the wave of full electrification, to cope with the rapid iterative demand downstream and realize the rapid and comprehensive evolution of its own products, the Company needs to match its strong manufacturing capacity with the speed of its Customers First services.

In 2023, SVOLT was the first in the industry to propose the application of AI technology. Through strategic cooperation with Intel, Siemens, Rockwell, Tsinghua University, Estun, China Telecom, Dr. Octopus, and other partners, the Company established the "Alliance for the Liberation of Extreme Lithium Battery Intelligent Productivity", focusing on the application and implementation of big data, great computing power, and big model in lithium-ion battery intelligent manufacturing.

On the R&D side, SVOLT has released the first big model application for the new energy industry, utilizing a general-purpose large model+professional lithium-ion battery model to realize sample generation, intelligent labeling, and common development, better empowering lithium-ion battery R&D and production; on the production side, SVOLT and Tsinghua University have jointly developed the Ultimately "Smart" Algorithm, which can provide intelligent prediction on the electrode performance, realizing the world's leading capacity prediction and AI-powered cell sorting.

According to the plan, SVOLT will empower more than 100 scenarios of power battery production and manufacturing with AI. Up to now, it has implemented applications in more than 30 scenarios. In the future, the Company aims to use high-end AI-empowered manufacturing to increase the comprehensive yield of production line equipment to more than 99%, increase the production line labor productivity by 60%, and the OEE of the whole line to more than 80%.



Alliance for the Liberation of Extreme Lithium Battery Intelligent Productivity

Quality Management

SVOLT adheres to the principle of quality first, implements the "1340" quality management strategy, and establishes a quality culture centered on the principle that "Quality is the bottom line and lifeline for the survival of an enterprise". The Company establishes a quality management system to achieve a life-cycle management of product quality and safety. At present, the Company has obtained ISO 9001:2015 and IATF 16949:2016 quality management system certification. During the reporting period, the Company has not experienced any product recalls due to product quality or other reasons.

SVOLT sets up corresponding management measures in each aspect of R&D and production. For R&D, the Company has formulated the *Procedures for New Product Development Control* to standardize the whole process of new product development and specified the deliverables to be submitted and the targets to be achieved at each milestone node in the development process, to control the quality, cost, and schedule, improve efficiency, and reduce risks. Meanwhile, the *Regulations on Rules and Standards Management* stipulates the identification, collection, system sorting, interpretation, publicizing, and implementation of domestic and international rules and standards related to the Company's products, as well as the compilation, release, and evaluation of enterprise standards and product registration standards.

For the production and delivery process, the Company has formulated the *Regulations on Product Safety Management*, the *Regulations on Prohibited and Restricted Substances Management*, and the *Regulations on Security and Disaster Prevention Evaluation Management* to ensure that company-wide personnel can understand product and process safety and the corresponding responsibilities, and to standardize product design, process management, material management and safety performance concerning product safety, to meet the requirements of the customers and laws and regulations. In addition, the Company has compiled the Regulations on Escalation Management and established a "three-level escalation mechanism" to ensure rapid and effective response to quality problems.

In 2023, SVOLT conducted 40 internal quality audits and 2 external quality reviews to ensure the safety and reliability of its products.

Life-Cycle Quality Management System of SVOLT

New Project Development Process	The Company establishes the whole process flow management for new product development, provides reference guidelines for new product development, specifies the deliverables to be submitted and the targets to be achieved at each milestone node in the development process, and applies synchronous engineering and multi-disciplinary approach, to control quality, cost, and schedule, improve efficiency, reduce risk, and ensure that the new product development process is safe and reliable.
Supply Chain Management Process	According to the production demand and inventory, with the management requirements of "guaranteed supply, cost reduction, honesty and integrity, and transparent procurement", the Company continues to realize "high quality, low cost and timely delivery" of purchased parts. Through the innovation of a "two-way pass-through" management mode, the Company realizes scientific supplier management and implements procurement. Taking the qualified rate of incoming material batch, timely arrival rate, timely delivery rate, and cost reduction achieving rate as the main measurement indicators, the Company evaluates and analyzes the suppliers timely, and constantly urges the suppliers to make continuous self-improvement to improve the competitiveness of the suppliers.
Production Management Process	According to the production process and technical requirements for the products, the Company designs the production and delivery process based on the production concept of "high quality, high efficiency, and low cost". With the help of the 5M1E approach, the Company starts to monitor the production process, to achieve stable quality under control, reduce the occurrence of defects, improve quality and reduce manufacturing costs, meet delivery time, and enhance market competitiveness.
Marketing Services Process	The Company establishes an after-sales service business development process to clarify product orientation and establish a brand image of a globalized energy interconnection high-tech enterprise and industrial leader. Through accurate market research, the Company understands customers' needs and suggestions on products, services, and after-sales services, accurately identifies and responds to customers' needs and complaints, and improves customer satisfaction.

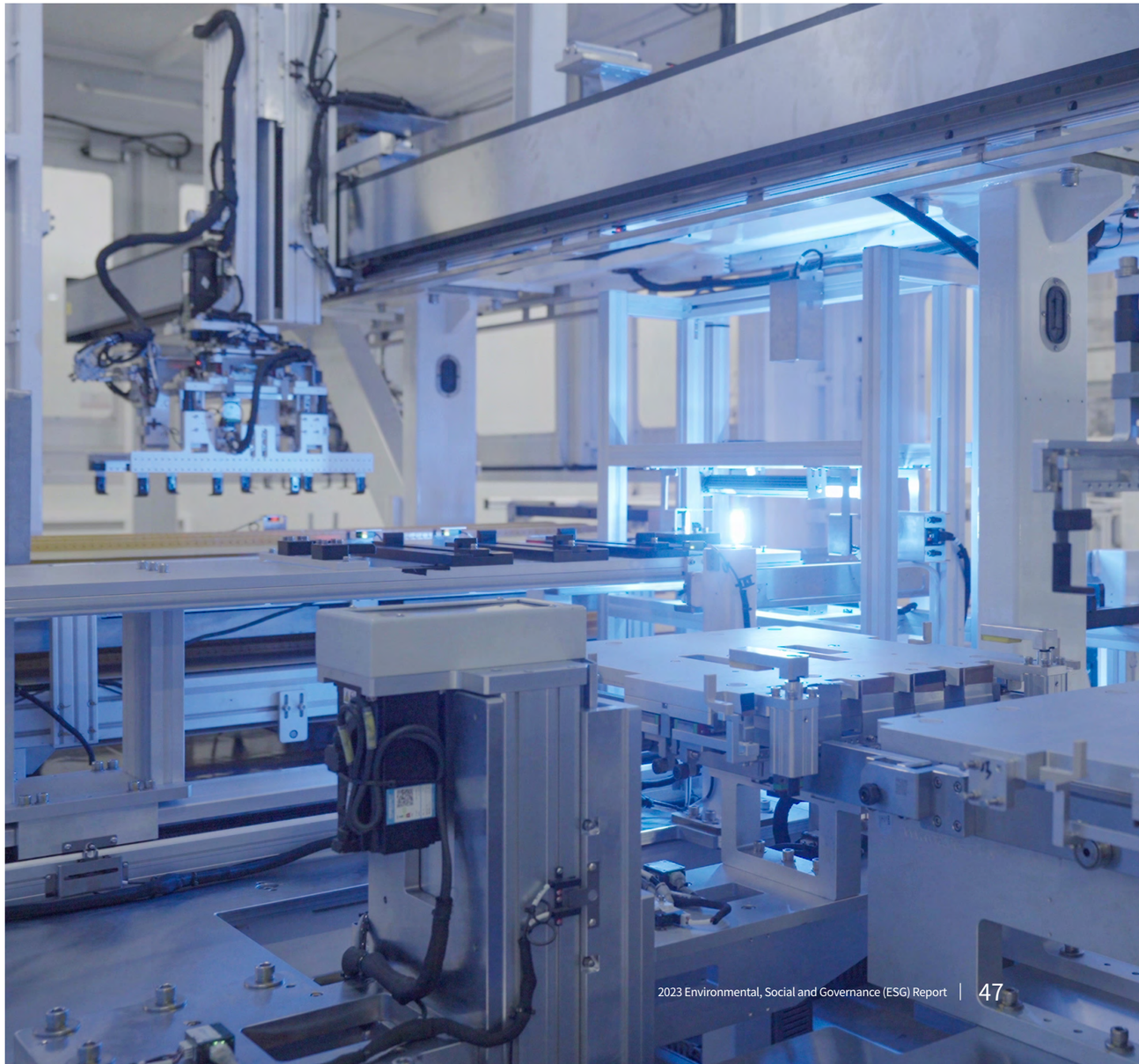
The "1340" Management Strategy of SVOLT

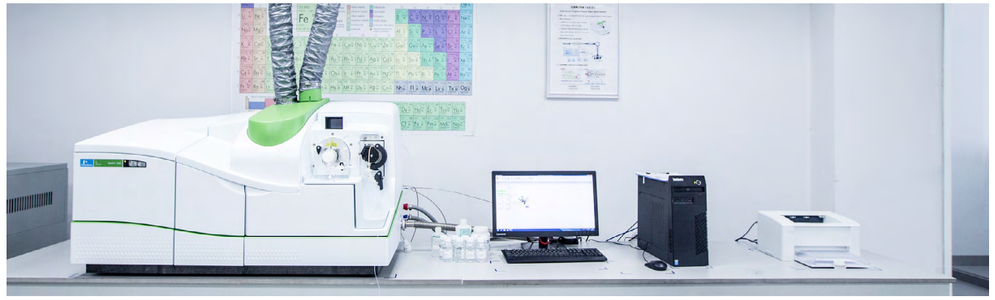
1 Establishment of 1 quality culture: getting it right the first time

3 Overcoming 3 types of problems: foreign material, lithium plating, and thermal runaway

4 Implementation of 4 major initiatives: goal identification, risk control, strong improvement, and team building

0 Realizing the goal of "0" defects





Digitally Empowered Quality Management

The Company has completed the online management of 40 types of parameters and the optimization of traceability rules, and improved 10 rework interception functions; the Company has realized one-key query, multi-dimensional query, and cross query of 20 kinds of traceability scenarios; and the Company has realized the preparation of complex traceability data for after-sale issues and the output of results of the manufacturing process with multiple processes.

The Company opens up the change pathway of design-process-manufacturing, meets the closed-loop management of the existing 23 types of documents, realizes the automatic push of change information, makes the change process transparent, and keeps the change under de facto control.

The Company has realized the online assessment and rating of more than 40 indicators in 4 categories, and the performance results are linked with the selection of factories to promote the quality improvement of suppliers.

Through 15 types of data application scenarios such as R&D digitization and quality KPI digitization, the Company provides decision-makers with an overview of operations and specific implementation, realizing data empowerment and improving response speed level by level and position by position.

The Company applies 10 AI-enabled big data algorithms such as X-ray pole detection of electrode folding, battery tab folding detection, diaphragm detection, and K-value dynamic screening to improve the detection rate.

The Company integrates equipment, quality, manufacturing and production, process control, AI fusion application, and other scenarios to complete 42 poka-yoke functions, such as material calibration, equipment interlocking, and formula calibration, in eight bases for cell mass production, to improve the poka-yoke control over process quality.

Customers' Rights and Interests

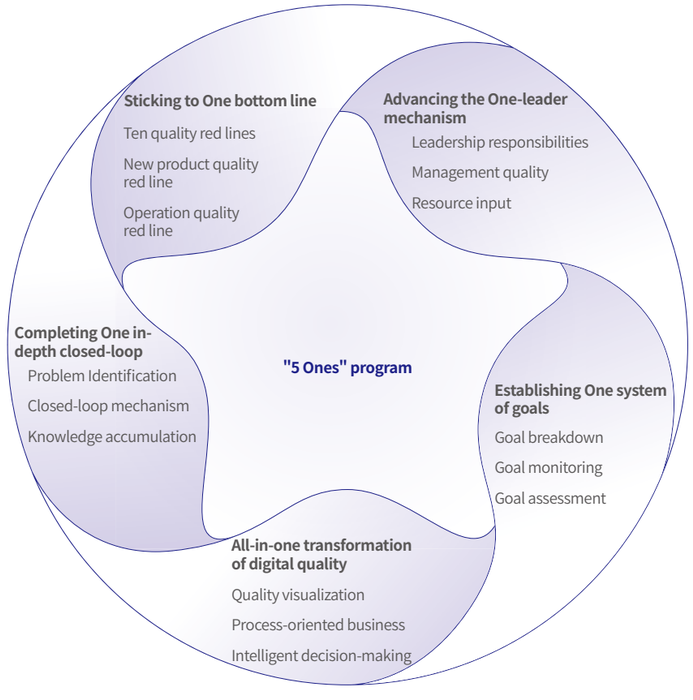
SVOLT always adheres to the core values of "Customers First, Striver-Focused" and attaches great importance to after-sales service and customer experience. SVOLT has set up a special quality operation center, which is responsible for internal product quality control and external customer complaint handling, to ensure timely and professional responses to customer concerns. In addition, the Company has formulated systems and procedures such as the *After-sales Problem Management Process* and *Process and Requirements for Disposal of Established Problems* to ensure that problem-solving is process-oriented and systematized. In 2023, the Company conducted a questionnaire survey on the satisfaction of its major customers, and the average score of satisfaction was 89.5 points.

Customer Service Management

In 2023, SVOLT implemented the SVOLT Speed Service strategy and established three specialized customer service teams, eight specialized failure analysis centers, and two systems, EQMS and CRM, to realize the double closed-loop management of problems and services, and to quickly respond to, reach, and solve customer service problems. In addition, the SVOLT speed service strategy deepens the "1340 Quality Strategy" and promotes the "5 Ones" program to continuously improve the quality of customer satisfaction.

The Company's quality operation center has an after-sales quality team and an after-sales service team. The after-sales quality team focuses on quality issues that arise during the post-sales phase of the product and is dedicated to meeting customer expectations for product quality, while the after-sales service team focuses on responding to and handling customer issues quickly and appropriately. The Company has set up strict assessment indicators for the efficiency and quality of both teams to ensure a high-quality customer experience.

For the after-sales quality team, SVOLT has set up indicators such as "closure rate and timeliness of problem resolution", "external cost rate of poor quality" and "market failure rate" to assess the efficiency and quality of their problem handling. For the after-sales service team, the Company has set up assessment indicators such as "safe escort management of spare parts and timely replacement response", "repair quality" and "customer satisfaction with service". The team provides regular training to customers to ensure that they fully understand and use the products properly.



After-sales and Complaint Management

SVOLT attaches great importance to customer feedback. The Company is committed to safeguarding the legitimate rights and interests of consumers and actively listens to the opinions of customers and consumers. The Company has specialized after-sales service personnel and has defined the response time for after-sales problems: key after-sales problems are responded to within 0.2 hours, and other problems are responded to within 0.5 hours. The Company continuously improves the timeliness and handling quality of after-sale problems. In addition, the Company has set up after-sales service centers nationwide to store spare parts and cooperate with customers' 4S outlets to provide repair and replacement services for customers. For overseas customers, the Company has set up localized after-sales service centers to respond quickly to customer needs and provide rapid fault analysis and spare parts support.

In addition, the Company deploys after-sales quality personnel at the site of each major customer to keep abreast of the customer's needs and solve on-site problems. For some problems that cannot be solved on site, the stationed personnel can feedback on the problems to the after-sales quality team at the headquarters, where an expert panel will be quickly set up to analyze the problem.

In 2023, the Company demonstrated strong customer service capabilities. The response rate to customer complaints reached 100%, demonstrating their commitment to consumer rights protection. In the future, the Company will continuously strive to improve product quality and customer service.

Indicator	Unit	2021	2022	2023
Number of complaints received about products/services	件	8	16	24
Response rate to product/service complaints	%	100	100	100
Resolution rate to product/service complaints	%	100	100	100

Data security

SVOLT insists on information security and data privacy management as the fundamentals of quality user experience. The Company complies with the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation* (GDPR) of the European Union, and other relevant laws and regulations to ensure compliance in procedures, privacy design, data transmission, and effectively incorporates these requirements and measures into its business processes. In 2023, SVOLT obtained the Information Security Management System (ISO 27001) certification, reflecting the internationally standardized level of the Company's information security management. In addition, the Company also requires its suppliers to strictly adhere to its commitment to customer privacy protection and to protect the reasonable privacy expectations of customers and consumers when handling information.


证书

蜂巢能源科技股份有限公司保定分公司

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ISO/IEC 27001:2013

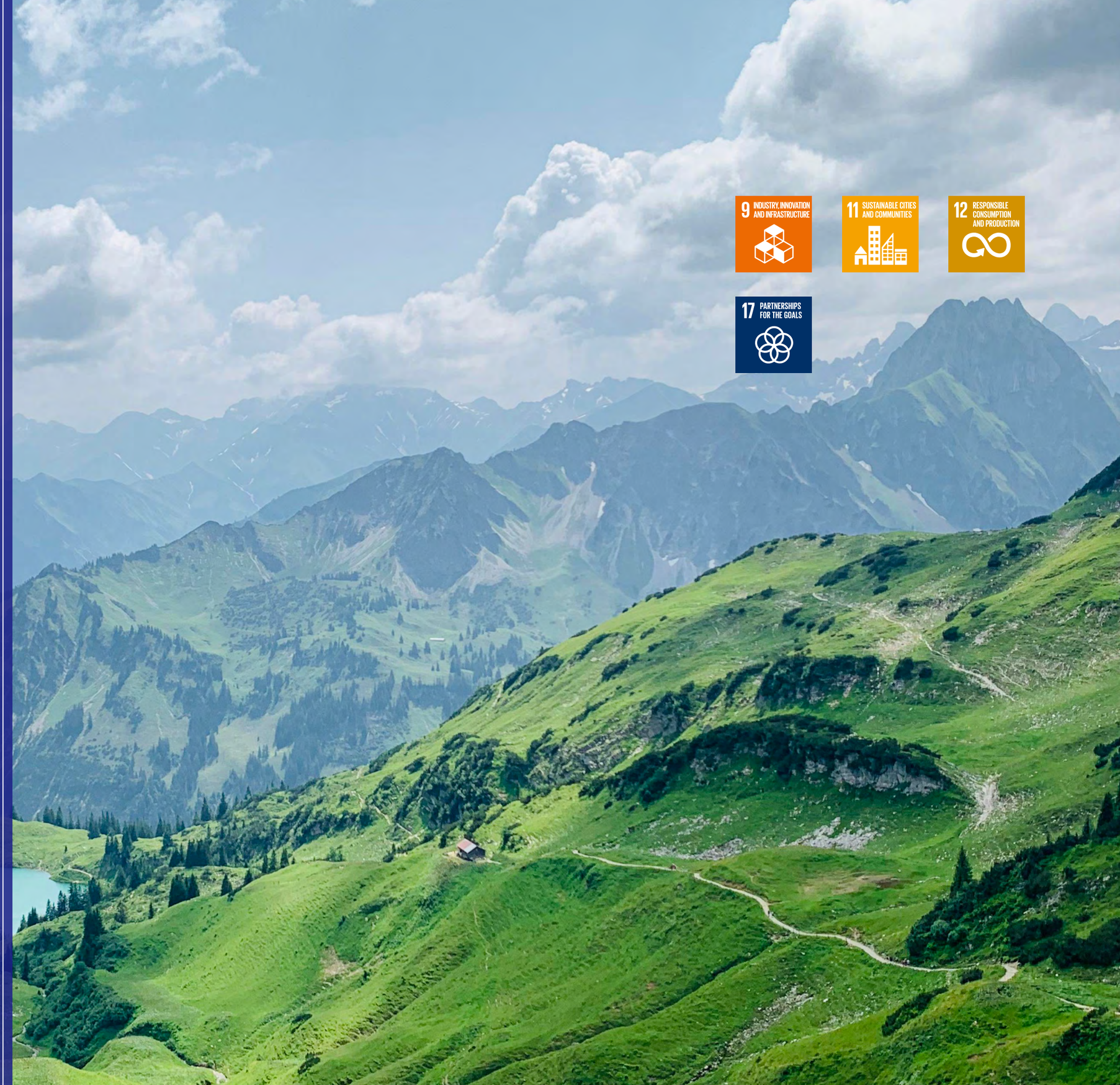
认证范围：
新能源汽车电池的设计和生产

Certificate of Information Security Management System (ISO 27001)

SVOLT has incorporated data and information security into the SVOLT General Compliance Manual, which regulates all aspects of the Company's network and information security through the establishment of a sound information security operation system. The Company has taken substantial measures to prevent network intrusions and virus attacks, such as the implementation of an information firewall system, which prohibits important information from leaving the country at will and prohibits the transmission of information without the consent of the subject of the personal information, to ensure that it does not infringe upon personal interests, national security, or public interests.

At the operational level, in response to the need to collect and process the personal information of employees, visitors, and partners, SVOLT strictly enforces authentication and permission management. The Company has set up a person in charge of information security management and formulated a strict internal security management system and operating procedures in accordance with business characteristics to ensure the safe handling of personal information. In addition, when the Company cooperates with third-party data developers, it protects data privacy by selecting only partners with industrial standard data protection mechanisms and systems. In 2023, SVOLT did not experience any privacy breaches.

04 Value Co-creation and Win-Win Cooperation



Industry Development

SVOLT integrates innovation into its corporate DNA. The Company is committed to making technological breakthroughs, building brand competitiveness, and making its own contribution to promote the development of the industry through synergistic cooperation in industry-university-institute cooperation, industry exchange, and standard establishment.

Industry-University-Institute Cooperation

SVOLT always attaches great importance to cooperation in industry-university-institute cooperation. Since 2019, the Company has gradually improved the cooperation in forward-looking technology exchange and R&D, scientific research resource sharing, scientific and technological project declaration, talent training, and transformation of scientific research results. By the end of 2023, the Company has cooperated with several well-known universities and research institutes at home and abroad, such as Tsinghua University, Beijing Institute of Technology, Beihang University, and Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences, in the areas of materials, batteries, and intelligent manufacturing, and adheres to the principle of leading the industry's high-quality development through innovation.

Joint R&D Signing Ceremony between SVOLT and Tsinghua University

Industry Exchange

The Company actively creates industry exchange platforms, participates in industry exchange activities, and actively builds a win-win cooperation industrial ecology with industry partners. The Company has set up the AI Eco-Alliance and the A9 Alliance for the Liberation of Extreme Lithium Battery Intelligent Productivity, fully integrating alliance resources and jointly tackling technical problems. In addition, in 2023, the Company participated in a series of industry summits, including the 16th GGII Lithium-ion Battery Industry Summit, Seminar on Power Battery Technology Route, World New Energy Vehicle Congress, Power Battery Industry Ecology Conference and Entrepreneurs' Summit, and organized SVOLT Battery Day for four consecutive year.

Establishment of AI Eco-Alliance by SVOLT

Case: The 4th Battery Day Organized by SVOLT on the Theme of "Let There be Light"

In December 2023, SVOLT held the fourth Battery Day. Focusing on the theme of "Let There be Light 2023", Mr. Yang Hongxin, Chairman of the Board of Directors of the Company, released SVOLT's full scenario short blade fast charging products, launching 2.2-5C fast charging products. This demonstrates the ability of a start-up company to continuously focus on customers, quickly respond to market demand, and lead the industry with technological innovation.

On December 13, 2023, SVOLT held the fourth Battery Day with the theme of "Let there be Light". At the event, SVOLT released its "SVOLT Strategy 2024", which covers product leadership strategy, SVOLT speed service strategy, and AI-enabled manufacturing strategy, and exchanged and shared the corporate development trend with many concerned parties to build an industrial development alliance.

Blue Sky Alliance Established by SVOLT

Standard Establishment

The Company deeply recognizes the significance of industry regulation and improvement of standards for the development of the industry. Therefore, the Company continues to promote the development and revision of international, national, industrial, and other external standards, covering the full life cycle of the Company's business, including power battery, energy storage, materials, processes, intellectualization, recycling, and other areas. In 2023, the Company hosted and participated in the completion of the release of a total of seven external standards.

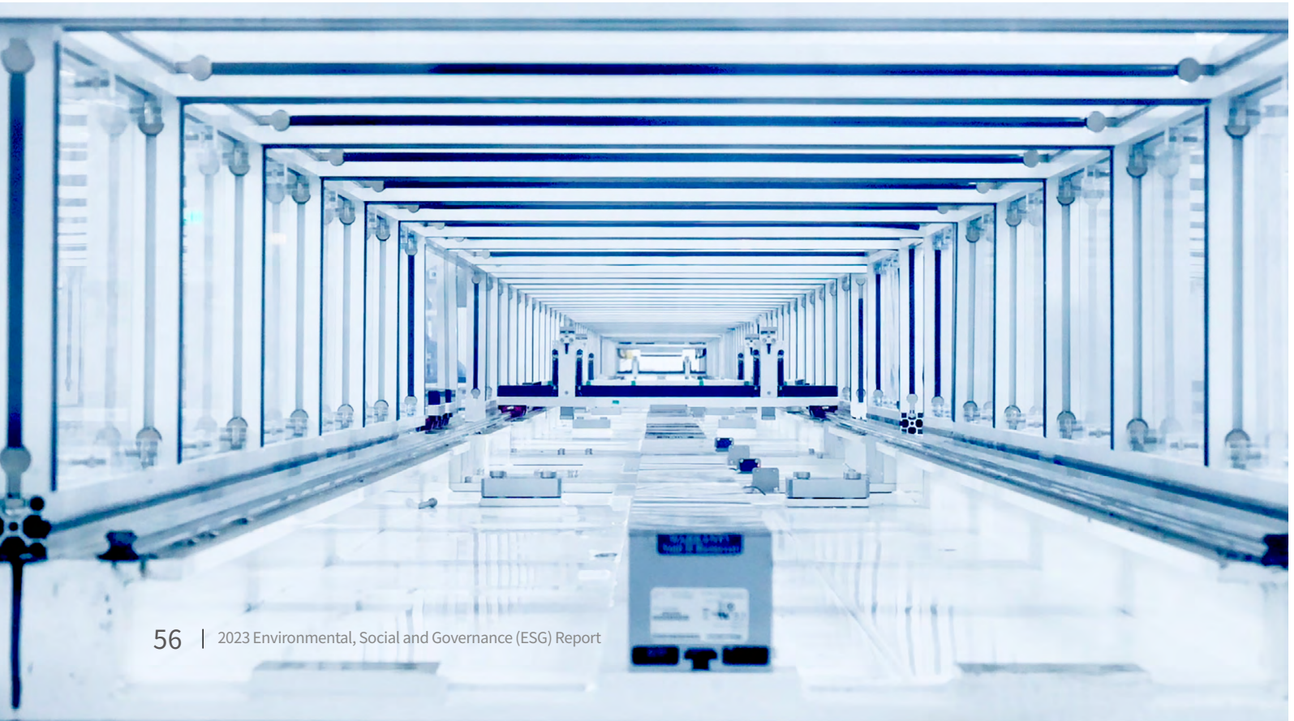
Participation in Standards Establishment by SVOLT in 2023

International Standards

- *Road Vehicles - Functional Safety - The Application to Generic Rechargeable Energy Storage Systems for New Energy Vehicles* (ISO/TR 9968:2023)

National Standards

- Electrical Performance Test Methods for Lithium-Ion Traction Battery Pack and System of Electric Vehicles (GB/T 31467-2023)
- Lithium-Ion Battery for Electrical Energy Storage (GB/T 36276-2023)
- Electrochemical Performance Test of Lithium Nickel Manganese Oxide – Test Method for the Initial Discharge Specific Capacity and Initial Efficiency (GB/T 43093-2023)
- Battery Management System for Electrical Energy Storage (GB/T 34131-2023)
- Electrochemical Performance Test of Lithium Ion Battery Cathode Materials – Test Method for High Temperature Performance (GB/T 43092-2023)
- Decommissioning Technical Requirements of Lithium-Ion Battery for Electrical Energy Storage (GB/T 43540-2023)



Supply Chain Management

Supply Chain Management System

Building a robust, efficient, and sustainable supply chain system is crucial to the Company's long-term development. The Company has formulated *Supplier Management Control Procedures*, *Procurement Control Procedures*, and other institutional documents to standardize the process of supplier development, evaluation, and approval. Through multi-dimensional conformity assessment of quality, cost, delivery, and technology, the Company conducts objective performance evaluation and quality risk control regularly to ensure high-quality delivery from suppliers and continuously optimize supply chain management.

Besides, the Company has incorporated supply chain sustainability into its supply chain management system and actively implemented environmental and social responsibility risk management for suppliers. The Company has formulated the *Policy on Supply Chain Sustainability* to establish a long-term stable and sustainable eco-supply chain system with our partners regarding regulations, responsible minerals, anti-corruption, human rights, environmental health, and ethics. To assess suppliers' compliance with the sustainability policy, suppliers are required to sign the *Code of Conduct for Suppliers*. For the process of supplier access and subsequent cooperation, the Company uses the *On-site Review Record of Supplier Social Responsibilities* and *Examination on Supplier Environmental Behaviors* to conduct on-site reviews. If there are non-compliant items and the supplier does not cooperate with rectification or fails after rectification, SVOLT will stop the development of the supplier and the business relationship that already exists will be terminated.

To effectively improve the level of supply chain management, SVOLT actively encourages suppliers to carry out quality, environmental, and OHS system certification. The Company requires suppliers to improve the relevant system work through systematic management and standardized means. For suppliers who have not obtained ISO 9001 and IATF 16949 quality management system certifications, the Company requires them to explain the detailed reasons and the status of the certification program, or else they will be given unqualified treatment.

As of the end of 2023, 100% of the Company's 657 major suppliers have obtained quality management system certification and OHS management system certification, and 502 suppliers have obtained environmental management system certification, accounting for 76.4%.

Management of Social Responsibility in the Supply Chain

SVOLT's *Policy on Supply Chain Sustainability* is based on internationally recognized human rights outlined in the UN's *International Bill of Human Rights* and the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work*. SVOLT is firmly committed to respecting human rights and adheres to a company-wide human rights policy. We believe that every worker in our supply chain should work in a fair and ethical workplace.

Supplier integrity management is an important guarantee for the Company's sound operation and sustainable development. The Company has formulated the *Regulations on Anti-Bribery Management System of SVOLT* and *Code of Conduct for Suppliers*, and invited all suppliers who have reached cooperation to know the Company's anti-bribery requirements and sign the Integrity Agreement. In 2023, the signing rate of the *Integrity Agreement* between SVOLT and suppliers was 100%. In 2023, the Company carried out anti-corruption training for its suppliers 6 times, covering 380 suppliers, and accounting for 57.8% of the total number of suppliers.

During major holidays every year, the Company sends out written proposals of integrity to external suppliers and customers. In daily life, the Company publicizes the whistleblowing board and card in the reception room, logistics unloading area, conference room, and other locations. The whistleblowing channels include telephone, e-mail, QQ, WeChat official account, WeChat QR code, and other feedback channels, to continuously strengthen the construction of a supply chain integrity culture.

In addition, the Company has established a strict supplier audit and evaluation system to monitor the labor conditions of suppliers and take corrective actions against violations. The audits and evaluations cover compliance with relevant regulations and standards in the areas of workplace health and safety, labor rights protection, chemical management, as well as emergency management and accident response, to safeguard employee rights and environmental safety, reduce potential risks in the supply chain, and enhance supply chain resilience.

Supply Chain Environmental Management

The Company actively participates in the construction of a green supply chain and promotes the green transformation of the entire supply chain through cooperation with suppliers to reduce the impact on the environment. Internally, the Company's Procurement Center has a green supply chain management administrative office and has added several environment-related assessment indicators to supplier performance assessment, including carbon neutrality, supplier traceability of raw material sources, and the use of green energy in production and transportation, among other indicator items. In 2023, 18 suppliers carried out environmental risk assessments, and 100% of suppliers were qualified subject to environmental standards.

For suppliers, the Company actively promotes the concept of a green supply chain and encourages suppliers to adopt environmental protection measures, such as the use of clean energy, the implementation of waste recycling, and pollution control technology. Moreover, the Company provides environmental training and technical support to help suppliers realize green transformation. In 2023, 31 of SVOLT's suppliers owned green factories. SVOLT was awarded the honor of "Green Supply Chain Management Enterprise" by the Energy Saving and Comprehensive Utilization Department of the Ministry of Industry and Information Technology of the People's Republic of China.


中华人民共和国工业和信息化部
Ministry of Industry and Information Technology of the People's Republic of China

工业和信息化部 | 新闻动态 | 政务公开 | 政务服务 | 公众参与 | 工信数据 | 专题专栏

首页 > 工业和信息化部 > 机关司局 > 节能与综合利用司 > 绿色制造

2023年度绿色制造名单公示

发布时间：2023-11-08 18:15 来源：节能与综合利用司

42	江苏	蜂巢能源科技股份有限公司	中国船级社质量认证有限公司
43	江苏	江苏宏微科技股份有限公司	北京耀阳高技术服务有限公司
44	江苏	远东电缆有限公司	无锡市低碳研究院有限公司
45	江苏	江苏思源赫兹互感器有限公司	上海励弄建筑科技有限公司
46	江苏	南京国电南自电网自动化有限公司	华测认证有限公司
47	江苏	南京华信藤仓光通信有限公司	江苏泰姆仕低碳科技有限公司
48	江苏	中辰电缆股份有限公司	无锡市低碳研究院有限公司
49	江苏	江苏环鑫半导体有限公司	江苏易格尔信息技术有限公司

National Green Supply Chain Management Enterprise

SVOLT Green Supply Chain Management System

Environmental Performance Assessment:

The Company comprehensively assesses the environmental performance of its supply chain in terms of energy use efficiency, waste management, and emissions control.

New Energy Promotion:

The Company has included a demand clause requiring the proportion of new energy use in procurement contracts, encouraging them to adopt clean and renewable energy and reduce carbon emissions.

Green Procurement Policy:

The Company has formulated a green procurement policy that prioritizes suppliers who can provide environmentally friendly products and services during supplier screening and promotes the green transformation of the entire supply chain.

Carbon Footprint Verification:

The Company strictly requires suppliers participating in European projects to comply with EU battery regulations, update the carbon footprint of product raw materials regularly, and issue third-party verification reports.

Due diligence management of responsible mineral

To avoid the risk of significant negative impacts from mining, trading, processing, and exporting minerals from conflict-affected and high-risk areas, SVOLT has included responsible minerals as an important corporate concern. For tungsten, tin, tantalum, gold, nickel, cobalt, manganese, lithium, graphite, mica, copper, aluminum, and other mineral resources involved in the Company's production and operation processes, the Company adheres to the principle of ethical sourcing and commits not to use mineral resources from conflict areas, and also explicitly requires suppliers not to use mineral resources from conflict areas and those that violate the Company's policies.

With reference to the requirements of the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (OECD Guidance) and the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, the Company has established the SVOLT responsible mineral due diligence management system, formulated the *Sustainable Procurement Policy* and the *Guidelines for Responsible Mineral Procurement Management*, and worked together with its suppliers to prevent and address social and environmental risks in the supply chain. The Company requires its suppliers to sign the *Declaration of Metal Conflict-Free* and further requires suppliers to supervise their upstream and fill in the traceability list as required to ensure the legitimacy of the source of raw materials and prevent conflict minerals from being put into use. In addition, the Company regularly conducts risk identification of raw material suppliers and requires suppliers and their upstream to carry out responsible mineral certification or self-declaration in the relevant industry. Over 60% of the raw materials at the mine end have been certified or self-declared.

Following the OECD five-step management framework, the Company commissions independent third-party organizations to develop a set of audit checklists based on the due diligence requirements of the new EU battery regulation, the OECD Due Diligence Guidance, the Responsible Business Alliance (RBA) Code of Conduct, and SVOLT's sustainable sourcing policy. The Company conducts supplier due diligence regularly. Due diligence is conducted in the form of on-site audits combined with online audits, including management interviews, site visits, and review of documentary evidence. In 2023, the Company identified 15 raw material suppliers of cathode and anode involved in export projects and conducted due diligence on them in accordance with the relevant requirements of the new EU battery regulation.

Supplier Training and Communication

SVOLT is actively involved in supplier training and communication. In 2023, SVOLT organized supplier training in various areas such as sustainability initiatives, quality, and raw material due diligence, with a total of 8 training sessions, 20 hours of training, and 486 suppliers.

In addition, the Company provides various channels to communicate with suppliers, including information-sharing platforms, regular supplier communication meetings, and feedback and suggestion mechanisms. It aims to promote suppliers' understanding of the Company's procurement policies, quality requirements, and ESG standards, enhance the dissemination and exchange of information on industrial dynamics and best practices, and encourage innovation and improvement of ideas to promote more efficient and responsible supply chain operations. In 2023, the Company conducted 2 supplier conferences, with more than 500 suppliers participating in each one.

Communication between SVOLT and Suppliers at the Fourth Battery Day

05

People-oriented and Diversity

Employee Employment and Rights and Interests

SVOLT adheres to the principle of equal employment and is committed to creating a diverse and inclusive work environment for its employees. The Company strictly abides by the requirements of international labor laws and international human rights conventions and respects the labor, employment, and social security laws and standards of the countries and regions where SVOLT operates. The Company has set up sound recruitment and hiring procedures, formed system documents including the *Labor Relationship Management System* and the *Duty Management System*, and signed, fulfilled, changed, terminated, or closed labor contracts with workers in accordance with the law to protect the rights and interests of employees.

Diversity and Equality in Employment

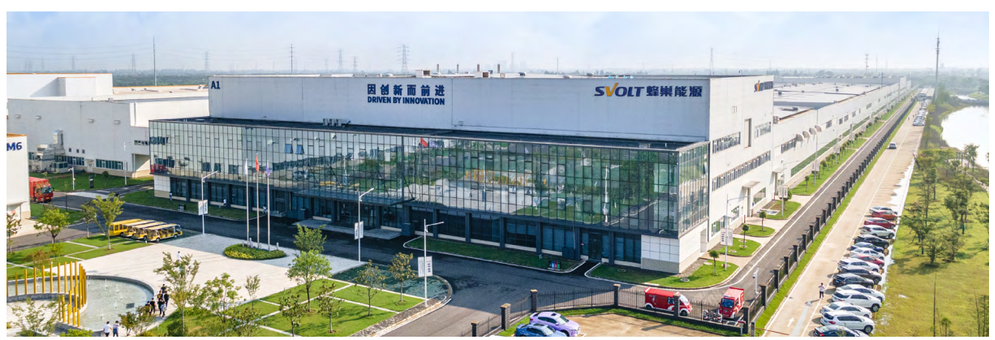
SVOLT has formulated the *SVOLT Global Employment Compliance Guidelines*, which explicitly prohibits child labor, forced labor, employment discrimination, and other practices to ensure that the hiring process is compliant and fair. To eliminate the existence of child labor and forced labor, the Company reviews the employee's documents and age information before entry and prohibits the input of minors' information in the personnel management system. The Company strictly prohibits employment discrimination based on gender, ethnicity, race, religion, nationality, and region, to ensure that employees of different backgrounds are treated with respect and equality at SVOLT, and to create a more equal, diversified, and inclusive workplace environment. On this basis, the Company regularly audits the information and attendance data of all employees in each location to ensure that the entire process of employment is diverse, equal, and compliant.

Total male employees	11,315
Total female employees	3,254
Total number of employees aged 30 and under	7,921
Total number of employees aged over 30 and under 50	6,594
Total number of employees aged 50 and over	54
Number of employees from the Chinese mainland	14,423
Number of employees from Hong Kong, Macao, Taiwan, and overseas	146

Protection of Employees' Rights and Interests

SVOLT firmly believes that employees are the key to promoting the continuous progress and development of an enterprise. SVOLT has perfected its human resource management system and formulated several management methods, such as the *Payroll Management System* and *Performance Management System*, to protect the legitimate rights and interests of workers from the dimensions of salary standard, welfare treatment, vacation policy, and working hours arrangement. SVOLT respects the choice and freedom of its employees and promises not to restrict their choice of a new job or restrict their freedom in any unlawful way by any unlawful reason or means.

The Company is committed to establishing a scientific and attractive compensation and benefit system, linking employee salary and benefits with the Group's performance, giving employees the motivation to keep moving forward and growing, and realizing the common development of both employees and the Company. SVOLT has launched the Employee Stock Ownership Plan, encouraging more outstanding employees to become shareholders of the Company and share the fruits of the Company's long-term development.



Employee Health and Safety

SVOLT has always taken the protection of employees' occupational health and safety as the focus of its efforts. Through the continuous improvement of the occupational health management system, the strengthening of employees' training on work safety, and the regular investigation of potential safety hazards, it creates a healthy and safe working environment for its employees and helps the Company to maintain sustainable growth.

ISO 45001 Occupational Health and Safety Management System Certification

Occupational Health Management

In compliance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, the Company has formulated a series of management methods, such as the *Environment, Health and Safety Manual* and *Occupational Health Management Procedures*, to effectively safeguard the occupational health and safety of employees. By identifying occupational disease hazards, establishing occupational disease protection facilities, carrying out occupational health monitoring, conducting OHS training, and other means, the Company prevents occupational disease risks and protects employees' health. In 2023, SVOLT and Baoding and Wuxi subsidiaries have passed the certification of ISO 45001 Occupational Health and Safety Management System; and in 2023, the annual employee incidence rate of occupational diseases is 0.

Identification of occupational disease hazards

The Company carries out special work to identify occupational disease hazards in the workplace, mainly including noise, high temperature, X-rays, dust, and inorganic compounds. For the hazardous factors, the Company commissions qualified occupational health technical service organizations to regularly test and evaluate the occupational disease hazards in the workplace and make public announcements of the results, to fulfill the responsibility for the health status of the employees and effectively prevent the occurrence of occupational diseases.

Activities for Awareness Week on the Law of the People's Republic of China on Prevention and Control of Occupational Diseases

Establishment of Occupational Disease Protection Facilities

SVOLT has formulated the *Safety Management Program for EHS Equipment and Facilities*. For the identified occupational hazards, the Company sets up corresponding occupational disease protection facilities and ensures that the protection facilities are designed, constructed, put into production, and used at the same time as the main works. The Company arranges specialized persons to regularly inspect and maintain the occupational disease protection facilities to ensure the effective operation of the protection facilities.

Conducting occupational health monitoring

The Company provides physical examinations for employees exposed to occupational disease hazards, which comprehensively cover multiple aspects of onboarding, on-duty, and offboarding, to realize real-time monitoring of occupational health risks. Through the establishment of occupational health monitoring files for employees, the Company can understand the health status of employees in a timely and comprehensive manner and equip them with protective equipment that meets the requirements of their positions, thus providing a robust guarantee for the health and safety of employees in the process of production and operation.

Case: Activities for Occupational Health Month

SVOLT attaches great importance to the occupational health and safety of its employees and deeply integrates the prevention and treatment of occupational diseases into its corporate culture. In April 2023, in response to the decision-making and deployment of the CPC Central Committee and the State Council on the prevention and control of occupational diseases, and to implement the work requirements of the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, SVOLT's EHS Department carried out the Intensified Awareness Week on Occupational Health in April, to effectively enhance the awareness of the employees on occupational health, and to promote the implementation of the main responsibility of the management of occupational health in each department.

The theme of the activity was "Preventing Occupational Diseases and Protecting Health". From April 10 to May 1, a total of 22 OHS awareness and training activities were held in 10 SVOLT locations, including Changzhou, Wuxi, Baoding, and other cities. They covered a wide range of aspects including occupational health awareness and education, knowledge training in the SVOLT Classroom, occupational health knowledge competitions, first aid training, occupational injury prevention, and consultation with expert doctors, with a total of more than 1,720 participant visits.

22 Awareness training activities on Occupational Health and Safety

Over **1,720** cumulative participant visits

Lectures on Occupational Health

CPR Hands-on Training Activities

Management of Work Safety

Management System Construction

The Company strictly abides by the requirements of the *Law of the People's Republic of China on Work Safety* and the internal procedure *Control Procedures for the Management of Labor Protective Equipment* and other institutional documents and has built a sound work safety structure to systematically manage work safety. For the work safety structure, the chairman of the board is the first person in charge of EHS, the senior management is responsible for supervising and auditing, and the EHS Management Department coordinates and manages the work of each base. In addition, to implement the responsibility of work safety and maximize the control of production risks, the Company signs a responsibility agreement for work safety with all employees every year, so that every employee, as the first person responsible for work safety, actively undertakes the obligation of work safety.

To ensure work safety, so that employees have rules to follow daily and regulations to obey in case of emergency, the Company has clearly defined the work safety management centered on the identification of accident risks, formulation of control measures, provision of training, daily supervision, emergency management, and formation of a long-term mechanism. In addition, the Company continues to promote the digital and intelligent transformation of work safety management. Through the intellectualization of "risk control measures" and EHS informationization projects, the Company monitors key risky technical measures in real-time, strengthens the supervision of the production process, effectively improves the efficiency of personnel, and enhances the timeliness of the information.

Safety Culture Construction

SVOLT is committed to building a good safety culture within the Company with full participation of all staff. With the help of more than 120 health and safety training courses independently developed and designed by DingTalk-SVOLT Classroom and 28 full-time EHS internal trainers trained by the human resources system, a solid foundation for SVOLT's sustained safety development and safety culture construction has been laid.

In addition, the Company has organized several safety-themed activities. Focusing on different themes such as fire safety and electricity safety, the Company has encouraged the participation of all employees to create an atmosphere of safety culture and effectively raise the safety awareness of employees. In 2023, the Company conducted a total of 169 OHS training sessions for employees, with a total of 531 hours of training, covering 10,200 employees.

Employee Training and Development

SVOLT attaches great importance to the cultivation and development of talents and firmly believes that employees are the most valuable resources of an enterprise. The Company develops a perfect talent development system, provides diversified and customized training programs, and fully explores and cultivates the potential of the employees. The Company encourages its employees to explore and progress in their career paths, to remain competitive in the rapidly changing market environment, and to grow with the Company.

Talent Development

SVOLT has formulated a comprehensive talent development system covering key aspects such as employee induction training, personnel evaluation, training and development, incentive retention, and rotation and part-time jobs, to ensure that employees receive the necessary support and guidance at all stages. The Company has created two types of promotion channels for management positions and professional positions, taking into full consideration the personal excellence and career preferences of employees, and providing tailor-made growth and development opportunities for employees with different development directions.

With regard to the promotion of non-managerial grades, the Company has formulated the *Management Rules for the Promotion of Non-Managerial Grades*, which specify the promotion requirements and processes. The Company adopts the "five-step approach" for management: Starting from the kick-off meeting for policy publicizing and implementation, the Company carries out the review and application of basic conditions, preparation of qualification conditions, and assessment and determination of job titles step-by-step, and finally completes the approval and application of the results. The members involved in the assessment and review of promotion are all senior experts and managers in the field, which strongly ensures the scientific and fairness of the promotion procedures and contents.

In addition, the Company has formulated the *Terms and Conditions of Cadre Appointment and Removal System* to manage and standardize the appointment of management cadres, promotion at the same grade, cadre rotation, part-time appointment, and demotion or removal. In addition to the necessary qualification review, the Company also requires superior leaders to evaluate promoted employees in terms of performance, management level, and other dimensions to ensure that the promotion process is comprehensive, fair, and just, so that outstanding management talents can be identified and give full play to their talents.

Employee Training

SVOLT is committed to providing employees with rich and high-quality training opportunities and actively organizes various special training activities to enhance employees' professional skills level, teamwork ability, communication, and leadership. In 2023, the Company's total employee training expenditure was RMB 11,398,990, with a total of 14,110 training visits and 16.89 hours of training per capita.

Average training hours for senior management	**9.6** hours
Average training hours for middle management	**14.6**hours
Average training hours for front-line employees	**17** hours
Average training hours for male employees	**17** hours
Average training hours for female employees	**16.5** hours

Coverage of training for senior management	**94%**
Coverage of training for middle management	**96%**
Coverage of training for front-line employees	**100%**
Coverage of training for male employees	**97%**
Coverage of training for female employees	**97%**

The Company has established a differentiated and targeted training program covering different employee categories such as undergraduates subject to on-campus recruitment and internal training, front-line employees, technical and professional engineers, and managers. The training system integrates the research of staff training needs, acceptance of training effects, and staff incentives. Through curriculum development design training and internal trainer training, the Company has improved the construction of the instructor system and human resource management capabilities. In addition, the Company provides a variety of platform-based resources for employees who need different job skills, including a quality classroom, marketing classroom, technological innovation classroom, intelligent manufacturing classroom, and management change classroom.

SVOLT Employee Training System

Managers	Technical/Professional Engineers		Front-line employees
Rock Plan	**SVOLT Triangle** PD/PM/SALES	**BP Future Stars** HRBP	**Skill Prevails** Front-line technicians and craftsmen
Pillar Stone Plan	**SVOLT Overseas Plan** Overseas dispatching	**Strengthening Basic Engineering Plan** Equipment and process engineers in operation centers	**Star-rated Team Leader** Outstanding team leaders or foremen
Gravel Plan			
Rising SVOLT Youth	**SVOLT Engineer Plan** Merit experts under 32 years of age	**Six Sigma** Quality engineers at quality control centers	**Skills Competition** Front-line teams
Thousand Talents Plan	**Innovation for Intelligence** Equipment, process, and quality engineers	**Quality Special Project** Engineers at technology centers	**Lean Improvement** Whole staffline teams

SVOLT Incubator Program: undergraduates subject to on-campus recruitment and internal training

Some of SVOLT's Online Training Courses in 2023

In 2023, the Company added five new training plans: Rising SVOLT Youth, SVOLT Overseas Plan, SVOLT Triangle, BP Future Stars, and Innovation for Intelligence. For the positions of product development, product experience, and sales, the Company launched the "SVOLT Triangle" special training program to improve the basic skills of related employees. The plan combines online self-study and intensive face-to-face instruction to enhance employees' abilities in product knowledge, market analysis, process flow, professionalism, and other aspects. Trainees are required to complete the relevant courses within a specified period and participate in a theory test at the end to complete the completion report. Those who pass the course will be awarded a course completion certificate, while those who fail will be required to re-study and report to ensure that the training is carried out in a high-quality and effective manner.

For management positions, the Company has set up the "Leadership Training" program, which covers human resource management, communication skills training, and other aspects. The Company takes this training as one of the cadre assessment projects, to standardize the promotion path of managers at all levels, improve the management ability of the cadres, and ensure that they "know the management method and can manage the team". The training targets of the program cover all levels of managers and reserve talents. The rapid growth of cadres is strongly supported through the online course for self-study before training and the off-job participation of the trainees during the training.

"Gravel Plan" Managerial Talent Development

Case: "Rising SVOLT Youth" Young Cadres Training Program

To strengthen the attention and cultivation of young people with potential, the Company held the first "Rising SVOLT Youth" Young Cadres Training Program in 2023. The program takes outstanding graduates and young talents as the training objects, introduces the point accumulation system as the incentive mechanism, and provides them with various incentives, such as "higher promotion probability, more promotion opportunities, faster promotion speed, and better salary adjustment policy", to promote the rapid growth of the trainees. This will promote the rapid growth of the trainees and lay a solid foundation for them to grow up to be the reserve talents of managers who "know the operation, understand the business, and be aware of the management".

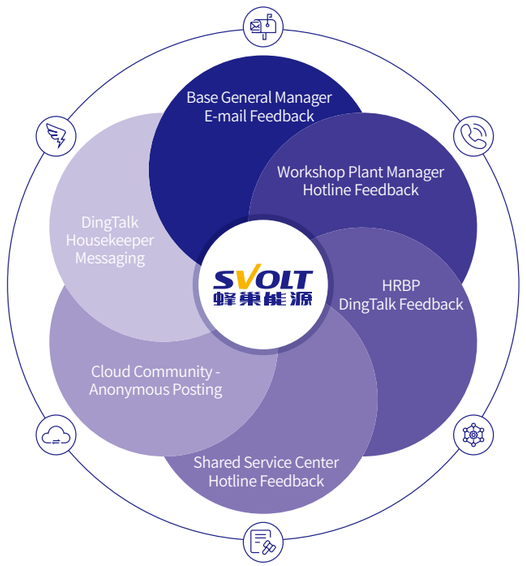
"Rising SVOLT Youth" Young Cadres Training Program

Employee Communication and Care

SVOLT is committed to creating an open, inclusive, and caring work environment. The Company provides diversified communication and exchange channels to ensure that every employee's voice can be heard. Moreover, the Company continues to improve the employee welfare system, through a variety of caring measures, to protect the physical and mental health of employees, and to create a caring and supportive work environment, so that every employee feels respected and valued.

Employee Communication

SVOLT builds a transparent and democratic communication mechanism, supports employees in joining trade union organizations, and collectively negotiates and signs the *Collective Contract for Employee Technological Innovation*. The Company has built six communication platforms, including "Base General Manager E-mail Feedback", "Workshop Plant Manager Hotline Feedback", "HRBP DingTalk Feedback", "Shared Service Center Hotline Feedback", "Cloud Community - Anonymous Posting" and "DingTalk Housekeeper Messaging", providing employees with diversified communication and exchange channels. In addition, the Company carries out all kinds of employee forums and employees' congress to actively understand the demands of employees and exchange opinions with each other, to strengthen team cohesion, improve employees' sense of belonging, and promote the development and progress of the Company.



Care for Employees

SVOLT attaches great importance to the physical and mental health of employees and strives to create a harmonious and caring working atmosphere. The Company establishes a perfect employee welfare system and formulates regulations such as *Regulations on Employee Incentive Care Management*. Through diversified employee care and support activities, the Company effectively improves employees' sense of happiness and gain. On the one hand, in addition to five social insurances and one housing fund, the Company has set up a wide range of additional benefits and subsidies, including but not limited to maternity protection, holiday allowances, funds for workplace activities, internal group purchases for holidays, and family accident care for employees, to keep an eye on the well-being of the employees' lives in a comprehensive manner, and to provide employees with more protection and care in their lives.

On the other hand, the Company carries out various welfare activities. By welfare visits to front-line employees and needy workers, organizing free physical examinations and movie watching, carrying out youth fellowship activities, issuing birthday cards and marriage and childcare benefits, the Company has responded to the living needs of employees and provided them with a stable and reassuring working environment for their growth. In 2023, the Company launched the "Employee Mutual Assistance" program, benefiting 157 employees.

Employee Welfare Visit in Summer

Social Value Contribution

Conducting Community Welfare Visit

SVOLT always bears in mind the responsibility and mission and actively participates in social welfare undertakings to achieve a double harvest of economic and social benefits. In 2023, the Party Working Organization carried out a series of public welfare actions, including welfare visits on Teachers' Day, blood donation by employees, volunteer services, village enterprise pairing and assistance, which enlarged the coverage of public welfare undertakings and positively fulfilled the corporate social responsibility.

Case: Blood Donation by Employees

Voluntary blood donation demonstrates boundless love with practical actions. SVOLT actively fulfills its corporate social responsibility and promotes positive energy through voluntary blood donation to demonstrate its boundless love. The Company has carried out voluntary blood donation activities for three consecutive years, with a cumulative total of 120,400ml of blood donated in 2023 and 440 employees involved, interpreting the spirit of volunteer service of "dedication, fraternity, mutual assistance, and progress" with practical actions, and contributing positively to the social public welfare undertakings.

440 employees involved

Cumulative blood donation amounted to **120,400**ml

Scene of Blood Donation by Employees

Case: Community Welfare Visit

SVOLT adheres to the original heart of serving the country through industry and cares about the welfare of the community. In 2023, the Company organized social welfare visits such as "Jasmine Fragrance", "Warmth over Jiangsu", "Helping the Disabled with One Heart", and "Warmth of Lantern Festival". On the occasion of Teachers' Day, the Company sends festive blessings to teachers, pays attention to teaching, and cares for teachers and students with love and action. During the reporting period, the Company conducted welfare visits to a total of 30 families with economic difficulties and about 40 elderly people of no family, and twice visited a total of 7 schools in Jintan District, donating welfare visit funds totaling RMB 120,000.

Welfare Visit to Elderly Person of No Family

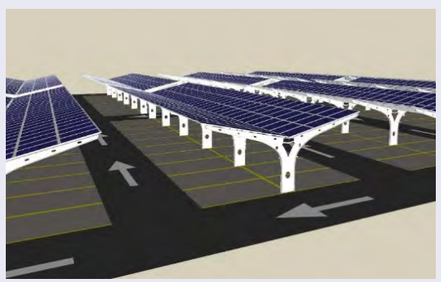
Welfare visit on Teachers' Day

Contributing to Low Carbon Development

While upholding the principle of low carbon and environmental protection in its operations, SVOLT continues to expand the possibilities of low-carbon public welfare in the community. The Company hopes to optimize the energy structure of the community, promote the popularization of renewable energy, improve the efficiency of resource utilization, and build a green and environmentally friendly community environment by giving full play to its technological advantages.

Case: PV Carport

SVOLT has planned and constructed distributed PV and energy storage projects at its Changzhou headquarters, Ma'anshan base, Suining base, Shangrao base, and Nanjing base, as well as constructed PV storage and charging carports. At present, the PV and energy storage facilities in many locations have been put into operation. In 2023, the bases realized a total of 38,696 MWh of PV power generation.



PV Carport in the Parking Lot

Key Performance Indicators

Environmental performance

Indicator	Unit	2021	2022	2023
Office paper consumption[1]	Metric tons	20.03	35.84	32.63
Packaging material consumption[2]	Metric tons	/	/	3,718.24
Intensity of packaging materials utilized [3]	Metric tons/GWh	/	/	294.86
Total Water Consumption[4]	Megaliter	1,332.06	2,860.12	3,458.91
Water Consumption Intensity	Megaliter/GWh	310.04	280.91	274.30
Total Fresh Water Consumption	Megaliter	1,083.95	2,403.64	3,320.34
Total Water Recycled and Reused	Megaliter	248.11	456.48	138.57
Total Consumption[5]	Tons of SCE	73,259.95	160,948.08	271,730.78
Consumption Intensity	Tons of SCE/GWh	17,051.47	15,807.89	21,548.83
Purchased Electricity	kWh	286,045,415.30	618,307,411.00	939,768,470.00
Purchased Heat	GJ	770,769.95	1,337,896.32	3,043,007.52
Direct Energy Consumption	Tons of SCE	11,806.29	39,309.07	52,405.82
Indirect Energy Consumption	Tons of SCE	61,453.65	121,639.00	219,324.96
Natural Gas	Standard m^3	10,732,994.00	35,735,521.00	47,641,700.00
Total Waste Gas Emissions	Ten thousand cubic meters	62,018.32	254,650.40	295,012.23
NMHC	Metric tons	0.68	8.11	6.05
Sulfur dioxide	Metric tons	0.31	0.49	6.04
Nitrogen oxide	Metric tons	3.71	7.73	11.57
Fluoride	Metric tons	0.002	0.014	0.384
Particulate matter	Metric tons	0	2.06	0.94
Hydrogen Chloride	Metric tons	0	0.1	0.07
Exhaust Emission Density	Ten thousand cubic meters/GWh	14,434.83	25,011.13	46,976.47

Indicator	Unit	2021	2022	2023
Water Pollutant Generation	Metric tons	11.47	16.29	18.49
Chemical Oxygen Demand (CODcr)	Metric tons	4.22	5.82	4.35
Total Phosphorus (in P)	Metric tons	0.05	0.07	0.18
Ammonia Nitrogen (NH_3)	Metric tons	0.31	0.52	0.75
Suspended Solids（SS）	Metric tons	4.42	7.69	4.24
Total Nitrogen (in N)	Metric tons	0.99	1.03	3.30
Animal and Vegetable Oils	Metric tons	0	0.02	0.02
Water Pollutant Generation Density	Metric tons/GWh	2.67	1.60	1.47
Wastewater Generation	Metric tons	368,049.00	401,271.69	368,359.12
Wastewater Discharge	Metric tons	312,104.00	363,911.19	231,497.38
Wastewater Generation Density	Metric tons/GWh	85,663.82	39,411.92	29,211.67
Wastewater Discharge Density	Metric tons/GWh	72,642.56	35,742.46	18,358.24
Total solid waste emissions[6]	Metric tons	9,736.37	17,954.03	12,301.63
General industrial solid waste generation	Metric tons	9,228.85	16,586.92	10,988.77
General industrial solid waste generation density	Metric tons/GWh	2,148.04	1,629.12	871.43
General industrial solid waste comprehensive utilization	Metric tons	6,723.86	10,990.60	7,300.18
Total hazardous waste generation	Metric tons	507.52	813.68	991.86
Hazardous waste generation density	Metric tons/GWh	118.13	79.92	78.66
Comprehensive utilization of hazardous waste	Metric tons	0	20.4	149.41
Direct (Scope 1) GHG emissions[7]	t CO_2e	29,986	95,558	130,655
Direct (Scope 2) GHG emissions[8]	t CO_2e	250,978	499,790	893,141
Total Scope 1 and Scope 2 GHG emissions[9]	t CO_2e	280,964	595,348	1,023,796
Scope 1 and Scope 2 GHG emission intensity	t CO_2e/GWh	65,395.21	58,473.51	81,189.22

Indicator	Unit	2021	2022	2023
Environmental Protection Training Sessions	Time	148	195	149
Environmental Protection Training Duration	Hour	18.5	178.5	52
Environmental Protection Training Participants	No.	3,797	5,310	2,921

[1] Office paper consumption = number of paper sheets used × unit weight, calculated at 4.3659g per sheet.

[2] The data on the amount of packaging materials used in 2023 was revised to the total amount of each type of packaging actually received at each of the Company's bases. Therefore the data in 2022 was deleted due to the inconsistency in the caliber of disclosure.

[3] Intensity of packaging materials utilized = packaging material consumption ÷ shipment quantity. The following density data are calculated using the same shipment quantity data.

[4] Total water consumption = total fresh water consumption + total water recycled and reused. We use this caliber of the total water consumption and density data in 2021 and 2022 to correct the total water consumption and density data. The total water consumption in 2023 includes Changzhou Base, Baoding PACK Park & Base, Baoding Park & Base, Chengdu Park & Base, Huzhou Park & Base, Maanshan Park & Base, Nanjing Park&Base, Shangrao (Phase I & II) Park&Base, Suining Park&Base, Taizhou Park&Base, Wuxi Park&Base, Wuhan Park&Base and Yancheng Park&Base.

[5] The total comprehensive energy consumption is calculated with reference to the *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020). Fossil fuel combustion emissions such as diesel and gasoline and equipment fugitive energy consumption account for less than the substantive threshold (2%), so they are not included in the statistics. The increase in total consumption in 2023 is mainly due to the expansion of the scope of coverage of the statistics and the increase in battery production capacity.

[6] Total solid waste emissions = general industrial solid waste + total hazardous waste + base domestic waste.

[7] Scope 1 calculates fossil fuel combustion emissions, carbonate decomposition processes, and fugitive gas emissions consumed by the Company's production processes; the calculated GHG are CO_2、CH_4、N_2O、HFCs.

[8] Scope 2 calculates emissions from purchased electricity and purchased heat consumed by the Company's production; the calculated GHG is CO_2.

[9] The rise in total GHG emissions in 2023 comes mainly from the expansion of the statistical coverage of the data and the increase in battery production capacity. Some of SVOLT's new bases are currently in the capacity ramp-up phase and have not yet reached carbon peaking.

Social performance

Indicator	Unit	2021	2022	2023
Number of complaints received about products/services [1]	Pcs.	8	16	24
Response rate to product/service complaints	%	100	100	100
Resolution rate to product/service complaints	%	100	100	100
Number of product recalls	Pcs.	0	0	0
Percentage of number of product recalls	%	0	0	0
Product recall losses	RMB 10,000	0	0	0
Investment in R&D	RMB 100,000,000	7.24	11.45	10.36
R&D investment ratio	%	16.18	11.48	9.41
Total Number of Standards Developed [2]	No.	15	18	7
National Standards Developed	No.	0	12	6
Industry Standards Developed	No.	1	2	0
Group Standards Developed	No.	14	4	0
Number of suppliers categorized by region	Chinese mainland	No.	/	535	657
	Overseas	No.	/	2	50
Supplier training	Total hours of supplier training	Hour	/	8	20
	Number of companies participating in supplier training	No.	/	161	486
	Number of training sessions for suppliers	Session	/	5	8
Supplier proportion	Percentage of suppliers certified with ISO 45001	%	/	73	100
	Percentage of suppliers certified with ISO 14001	%	/	88	76
	Percentage of suppliers certified with ISO 9001	%	/	100	100
Supplier anti-corruption	Supplier anti-corruption agreement signing rate	%	/	100	100
	Number of suppliers terminated due to corruption incidents	No.	/	0	0
	Number of supplier anti-corruption training sessions	Time	/	4	6
	Supplier anti-corruption training hours	Hour	/	4	17
	Supplier anti-corruption training coverage percentage	%	/	95	58
Supply chain risk management	Percentage of new suppliers screened with environmental standards	%	/	95	100
	Number of suppliers with actual or potential negative environmental impacts	No.	/	0	0
	Number of suppliers with negative environmental impacts but agreed to improve	No.	/	0	0
	Number of suppliers with negative environmental impacts and terminated cooperation	No.	/	0	0
	Percentage of new suppliers screened with social standards	%	/	100	100
	Number of suppliers with actual or potential negative social impacts	No.	/	0	0

Indicator		Unit	2021	2022	2023
Supply chain risk management	Number of suppliers with negative social impacts but agreed to improve	No.	/	0	0
	Number of suppliers with negative social impacts and terminated cooperation	No.	/	0	0
Controversial procurement and conflict minerals	Percentage of products purchased with external certification from the strictest standard organizations	%	/	100	100
	Traceability of raw materials	%	/	100	100
Number of data/privacy breach incidents		Time	0	0	0
Total donation amount		RMB 10,000	8	11	12
Total investment in rural revitalization		RMB 10,000	5	5	12
Total hours invested in public service		Hour	/	/	102.5
Excluding withheld and remitted taxes		RMB	94,230,944.45	228,788,455.41	328,481,726.25
Withheld and remitted taxes		RMB	64,341,332.69	83,052,816.33	96,972,377.34
Employee composition	Total number of employees	Person	/	13,560	14,569
By gender	Total male employees	Person	/	10,791	11,315
	Total female employees	Person	/	2,769	3,254
By age group	Total number of employees aged 30 and under	Person	/	7,946	7,921
	Total number of employees aged over 30 and under 50	Person	/	5,576	6,594
	Total number of employees aged 50 and over	Person	/	38	54
By hierarchy	Number of senior management personnel	Person	/	18	18
	Number of middle management personnel	Person	/	396	623
	Number of front-line employees	Person	/	13,146	13,928
By type of employment	Number of regular employees	Person	/	13,560	14,569
	Number of non-regular employees	Person	/	1,378	3,095
By region (contractual entities and registered locations)	Chinese mainland	Person	/	13,495	14,423
	Hong Kong SAR, Macau SAR, Taiwan region, and overseas	Person	/	65	146
By ethnicity	Minority ethnic groups	Person	/	545	564
	Non-minority ethnic groups	Person	/	12,956	13,866
	Others (foreign personnel)	Person	/	59	139

Indicator		Unit	2021	2022	2023
Diversity	Percentage of overseas employees	%	/	0.48	1
	Percentage of female employees	%	/	20.42	22.34
Employee Training	Total number of training sessions	Time	/	283,491	232,119
	Total training hours[3]	Hour	/	287,802.7	246,044.6
	Total training attendances	No.	/	12,806	14,110
	Training expenditure	RMB	/	2,122,294.08	11,398,990
	Average training hours per employee	Hour	/	21.22	16.89
	Average training hours for senior management	Hour	/	14.04	9.6
	Average training hours for middle management	Hour	/	29	14.6
	Average training hours for front-line employees	Hour	/	21	17
	Average training hours for male employees	Hour	/	20.85	17
	Average training hours for female employees	Hour	/	22.68	16.5
	Coverage of training for male employees	%	/	93.99	97.06
	Coverage of training for female employees	%	/	96.17	96.13
	Coverage of training for senior management	%	/	94.44	94.44
	Coverage of training for middle management	%	/	95.96	95.83
	Coverage of training for front-line employees	%	/	94.39	96.90
Employee turnover rate	Overall employee turnover[4]	%	/	/	28.71
	Male employee turnover rate proportion	%	/	82.53	82.62
	Female employee turnover rate proportion	%	/	17.47	17.38
Employee turnover rate	Turnover rate proportion of employees under 30	%	/	57.80	58.02
	Turnover rate proportion of employees aged 31 to 50	%	/	41.90	41.82
	Turnover rate proportion of employees aged over 50	%	/	0.30	0.16
Annual work-related deaths		Number of individuals	0	0	0

Indicator	Unit	2021	2022	2023
Million man-hours off-duty accident rate[5]	accident rate per million man-hours	0.56	0.42	0.36
Million man-hours injury accident rate[6]	accident rate per million man-hours	0.76	0.55	0.74
Annual lost days due to occupational injuries	Day	921	1,284	953
Occupational disease incidence rate	%	0	0	0
Number of Occupational Health and Safety Training Sessions	Time	195	325	169
Total Duration of Occupational Health and Safety Training	Hour	108	311	531
Number of Participants in Occupational Health and Safety Training	No.	4,960	13,008	10,200

[1] To accurately identify customer complaint issues, the statistical caliber of the number of complaints received for products/services in the reporting period of 2023 includes such complaint matters as quality issues, slow service response, and incorrect diagnosis of repairs, as reported by customers. The disclosure data for 2021 and 2022 have been revised.

[2] The total number of standards developed, national standards developed, industry standards developed, and group standards developed is the number of new additions in the current year.

[3] Total hours of employee training = (total number of male employees * average training hours per male) + (total number of female employees * average training hours per female); total hours of employee training = (number of senior management * average training hours per senior management) + (number of senior management * average training hours per senior management) + (number of junior staff * average training hours per junior staff). We use this caliber to revise the 2022 data disclosed.

[4] The overall employee turnover rate is calculated based on the weighted average of the number of employees and the turnover rate of SVOLT Energy Technology Co., Ltd. and its subsidiaries.

[5] Million man-hours off-duty accident rate = persons off-duty for more than 7 days / (total company attendance + overtime hours) * 1,000,000

[6] Million man-hours injury accident rate = total number of personal injuries / (total company attendance + overtime hours) * 1,000,000

Governance performance

Indicator	Unit	2021	2022	2023
Number of objections raised by independent directors	Time	0	0	0
Number of abstentions by independent directors	Time	0	0	0
Percentage of independent directors	/	1/3	1/3	1/3
Percentage of female directors	/	1/9	1/9	1/9
Number of Board of Directors meetings held	Time	3	10	9
Number of Board of Directors meeting attendance expected	No.	27	89	81
Number of Board of Directors meeting attendees	No.	27	89	77
Board of Directors meeting attendance rate	%	100	100	95
Number of board resolutions reviewed	No.	18	84	49
Number of Board of Supervisors meetings held	Time	3	3	4
Number of Board of Supervisors meeting attendance expected	No.	9	9	12
Number of Board of Supervisors meeting attendees	No.	9	9	12
Board of Supervisors attendance rate	%	100	100	100
Number of Board of Supervisors resolutions reviewed	No.	3	29	10
Corruption risk assessment	%	90.0	87.5	100.0
Number of corruption prosecutions finalized by audit	Pcs.	0	0	0
Number of compliance training sessions	Time	5	18	24
Duration of compliance training	Hour	9	25	39
Number of participants in compliance training	No.	132	570	823
Coverage of employees in compliance training	%	1.62	4.2	5.65
Total number of major company breaches	Time	0	0	0
Total number of fines paid during the reporting period due to violations	Time	0	0	0
Total amount of fines paid during the reporting period due to violations	RMB	0	0	0
Total number of hours of anti-corruption training provided to directors and employees	Hour	21,858	35,768	110,209
Number of anti-corruption training sessions provided to directors and employees	Time	50	60	162
Average anti-corruption training hours per person	Hour	2.71	2.64	13.94
Average anti-corruption training hours per director	Hour	2.33	2.44	3
Number of patents issued per year	Pcs.	1,456	1,709	2,015
Number of patents granted per year	Pcs.	875	1,581	1,417
Total number of granted patents	Pcs.	1,761	3,342	4,743
Number of intellectual property training sessions	Time		6	10
Duration of intellectual property training	Hour	/	8	10
Number of participants in intellectual property training	No.	/	3,683	3,500

[1] The scope of the Company's governance data statistics is consistent with that of the Company's consolidated financial statements.

Index of Indicators

Index of Environmental, Social and Governance Reporting Guide by Stock Exchange of Hong Kong

General Disclosures and KPIs	Description	Sections	Remarks
		Environmental	
Aspect A1: Emissions			
General Disclosure		Green Action for Energy Conservation and Emission Reduction	No major violations related to gas emissions, water and land discharges, or waste generation occurred during the reporting period.
KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicators	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Key Performance Indicators	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Indicators	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Indicators	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	N/A	No emission reduction targets established during the reporting period
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Management of Wastewater, Exhaust Gas, and Solid Waste	No emission reduction targets established during the reporting period
Aspect A2: Use of Resources			
General Disclosure		Green Action for Energy Conservation and Emission Reduction	
General Disclosure	Direct and/or indirect energy consumption by type (e.g. electricity, gas, or oil) in total (kWh in '000s) and intensity.	Key Performance Indicators	
KPI A2.2	Water consumption in total and intensity.	Key Performance Indicators	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	N/A	No energy use efficiency targets established during the reporting period
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A	The Group did not have any problems in sourcing water that was fit for purpose during the reporting period; no water efficiency targets were established during the reporting period
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicators	
Aspect A3: The Environment and Natural Resources			
General Disclosure		Green Action for Energy Conservation and Emission Reduction	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Action for Energy Conservation and Emission Reduction	
Aspect A4: Climate Change			
General Disclosure		Climate Resilience	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Resilience	
		Social	
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure		People-oriented and Diversity	No major violations of employment or labor practices occurred during the reporting period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators	

General Disclosures and KPIs	Description	Sections	Remarks
Aspect B2: Health and Safety			
General Disclosure		Employee Health and Safety	No major violations involving occupational health and safety occurred during the reporting period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicators	
KPI B2.2	Lost days due to work injury.	Key Performance Indicators	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety	
Aspect B3: Development and Training			
General Disclosure		Employee Training and Development	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators	
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators	
Aspect B4: Labour Standards			
General Disclosure		Employee Employment and Rights and Interests	No major violations involving child or forced labor occurred during the reporting period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Diversity and Equality in Employment	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Equality in Employment	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region	Key Performance Indicators	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	
Aspect B6: Product Responsibility			
General Disclosure		Technological Innovation and Service Excellence	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key Performance Indicators	No products subject to recall for safety and health reasons during the reporting period
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Key Performance Indicators; Customers' Rights and Interests	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management	
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customers' Rights and Interests	
Aspect B7: Anti-corruption			
General Disclosure		Anti-corruption	
KPI B7.1	Number of concluded legal cases regarding corruption prosecution cases brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	No corruption prosecution cases brought or concluded against the issuer or its employees during the reporting period
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	
Community			
Aspect B8: Community Investment			
General Disclosure		Social Value Contribution	
KPI B8.1	Focus areas of contribution.	Social Value Contribution	
KPI B8.2	Resources contributed to the focus area.	Social Value Contribution	

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Index of Proper Nouns

To help stakeholders better understand the disclosures in the Report, the English abbreviation of the glossary appearing in the Report in alphabetical order is explained in the following table.

English abbreviation	Definitions
A	
AI	Artificial intelligence
APQP	Advanced product quality planning
B	
BLM	Business Leadership Model
BMS	Battery management system
BOD_5	Biochemical oxygen demand over 5 days
C	
CCD	Charge-coupled device
CDP	Carbon disclosure project
CMS	Compliance Management System
CO_2	Carbon dioxide
COD	Chemical Oxygen Demand
CTC	Cell to Chassis
E	
EHS	Environment, Health & Safety
F	
FMEA	Failure Mode and Effects Analysis
G	
GB/T 29490-2013	*Enterprise Intellectual Property Management*
GB/T 31467-2023	*Electrical Performance Test Methods for Lithium-Ion Traction Battery Pack and System of Electric Vehicles*
GB/T 34131-2023	*Battery Management System for Electrical Energy Storage*
GB/T 36276-2023	Lithium-Ion Battery for Electrical Energy Storage

English abbreviation	Definitions
GB/T 43092-2023	Electrochemical Performance Test of Lithium Ion Battery Cathode Materials – Test Method for High Temperature Performance
GB/T 43093-2023	*Electrochemical Performance Test of Lithium Nickel Manganese Oxide – Test Method for the Initial Discharge Specific Capacity and Initial Efficiency*
GB/T 43540-2023	*Decommissioning Technical Requirements of Lithium-Ion Battery for Electrical Energy Storage*
GDPR	*General Data Protection Regulation, EU*
H	
Hi-pot	High potential test
I	
IATF 16949:2016	*Quality Management System Requirements for Automotive Production and All Relative Service Parts Organizations*
ISO 14001:2015	*Environmental Management System Requirements and Guidance for Use*
ISO 37301:2021	*Compliance Management System Requirements and Guidance for Use*
ISO 37001:2016	*Anti-Bribery Management System Requirements and Guidance for Use*
ISO 45001: 2018	*Occupational Health and Safety Management System Requirements and Guidance for Use*
ISO 9001:2015	*Quality Management System Requirements*
ISO/IEC 27001:2022	*Information Security, Cybersecurity and Privacy Protection - Information Security Management System Requirements*
ISO/TR 9968	*Road Vehicles - Functional Safety - Application to Generic Rechargeable Energy Storage Systems for New Energy Vehicle*
L	
LED	Light emitting diode
LFP	Lithium iron phosphate
LMFP/LFMP	Lithium Manganese Iron Phosphate
N	
NCM	Nickel Cobalt Manganese
NCMA	Nickel Cobalt Manganese Aluminum
NMP	N-Methyl-2-pyrrolidone
O	
OECD	Organisation for Economic Co-operation and Development
OEE	Overall Equipment Effectiveness
P	
PACK	Packaging, encapsulation, and assembly of batteries
POC	Proof of Concept
Q	
QFD	Quality Function Deployment
R	
RBA	Responsible Business Alliance
R&D	Research and Development
S	
SS	Suspended Solid
V	
VOCs	Volatile Organic Compounds
W	
WTO/TBT	Technical Barriers to Trade of the World Trade Organization

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