

The Sunwoda logo is displayed in a bold, red, italicized sans-serif font. The background of the entire page features a large, abstract, light blue and white graphic that resembles a stylized, flowing ribbon or a modern architectural element, creating a sense of movement and depth.

**SUNWODA**

# **Gather Momentum and Forge Ahead**

Sunwoda Electronic Co., Ltd.  
2020 CSR Report

## Mission

Innovation drives the progress of new energy world

## Vision

To become a respected world-class new energy enterprise

## Core Values

Customer Success, Self Criticism, Honesty First, Passionate Struggle,  
Team Work

## Corporate Social Responsibility Policy

Adhere to integrity in management, self-discipline, people-orientation,  
and fulfill social responsibility

Effectively safeguard the legitimate rights and interests of employees and  
realise harmonious development of enterprise, employees and society





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This is the first annual Corporate Social Responsibility ( “CSR” ) report published by Sunwoda Electronic Co., Ltd. (hereinafter referred to as “Sunwoda” or the “Company” ). We are committed to ensuring materiality, balance, and integrity of the content of the report, and present the social responsibility performance and future plans of the Company and its subsidiaries (hereinafter collectively referred to as the “Group” or “we” ) in detail for the year 2020. The report is in both Chinese and English versions. In case of any discrepancy in the content, the Chinese version shall prevail.

## Reporting Period

The report is an annual report for the period from 1 January 2020 to 31 December 2020. Some of the contents are related to previous years as appropriate.

## Reporting Scope

Unless otherwise stated, the scope of environmental data and occupational safety and health ( “OHS” ) data in the report cover manufacturing companies with fixed assets of more than RMB 5 million, including Sunwoda and its 14 subsidiaries; all textual information and other data (excluding environmental data and OHS data) cover the whole Group.

## Reporting Reference Standards

This report is prepared with reference to the Basic Framework of China CSR Reporting Guidelines (CASS-CSR4.0) issued by the Chinese Academy of Social Sciences, the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, the Environmental, Social, and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the United Nations' Sustainable Development Goals, and in accordance with the actual conditions of the Group.



## Reporting Data

The financial data in the report are derived from audited financial reports of the Company, and other data are derived from the Group's internal documents and collected information. Unless otherwise stated, the currency and amount involved in this report are denominated in RMB.

## Publication Method

The report is published in electronic format and can be downloaded from the official website of Sunwoda Electronic Co., Ltd. <https://en.sunwoda.com/>.

## Contact Information

We will continue to enhance the disclosure level of the report and the Group's social responsibility governance. If you have any questions or suggestions regarding the report, please feel free to contact the Company:

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**Chairman William Wang**

### Dear stakeholders

It was urgent to take action to address the situation after the global outbreak and spread of COVID-19 in 2020. The Group promptly established the Pandemic Prevention and Control Headquarters (the "Headquarters") directly led by the Chairman of the Board. The Headquarters took the lead in taking up social responsibilities and donated 10 million to support pandemic control efforts in severely affected areas such as Hubei, providing assistance to local front-line medical staff and citizens to the best of our abilities. We also extended our support to India through the Indian subsidiary, donating a total of 200 thousand to Chief Minister's Distress Relief Fund. We have set up a number of automatic mask production lines to produce protective masks for adults and children and donate them to people in need. The Group donated 15 thousand protective masks to two secondary schools in Yuanzhou Town, Boluo County, helping 9th grade students go back to school. The Group has also developed a personnel information system for pandemic prevention that can automatically position, precisely manage, and intelligently classify information. We voluntarily shared this system with other enterprises, which has benefited 23 enterprises so far, effectively

improving their emergency command efficiency for pandemic prevention.

Sunwoda provides green and efficient new energy integration solution services. Over the 23 years, we understand that corporate sustainability has become increasingly crucial even when seeking business development. The year 2020 was the beginning of sustainable development for the Group. During 2020 we established the CSR Management Committee to promote and supervise the Group's social responsibility management, and present our performance on significant issues to the Group's stakeholders through the first social responsibility report. In the future, we will take it as the cornerstone to gradually integrate the environmental and social elements into the decision-making process of the Company and adhere to the unique culture of "customer success, self criticism, honesty first, passionate struggle, team work".

### Honest Operation, Integrity and Self-discipline

Adhering to the principle of "taking multiple measures, focusing on prevention," the Risk Control and Audit Department which works under the leadership and supervision of the Audit Committee, has established a sound anti-fraud mechanism, and continuously identifies priority areas and departments and clarifies the corresponding duties of departments. The Risk Control and Audit Department reports directly to the Audit Committee, which is directly under the Board, keeping its independent nature. Besides, the Group continues to build a culture of integrity through various measures such as training, advocacy, commitment, etc. and implement integrity policy for all employees. The evaluation of senior management includes integrity and compliance performance, which is linked to the individual and department performance. All employees and suppliers are required to sign an integrity declaration form and customers can audit the integrity performance of the Company.



# Message from Chairman

## Effectively Protecting the Legitimate Rights and Interests of Employees

Employees are the key to sustained business development of enterprises. The Group protects all employees from discrimination and prohibits any form of forced labour. We value our employees' fundamental rights, including reasonable working hours and leave, and respect their freedom of association and right to collective bargaining. The Group does not intervene in operation and management of labour union(s) in any form and ensures employees can communicate with the management without facing threats or harassment. In addition, safety is one of our top priorities, and all of the OHS Management System Certifications have been upgraded to ISO45001. We have also established a Safety Production Management Committee, and linked annual OHS target to individual performance.

## Building a Green and Low-Carbon Environment

At the General Assembly of the United Nations in September 2020, China pledged that its carbon emissions shall peak in 2030 and it shall become carbon neutral by 2060. As one of the leading enterprises in the new energy industry, the Group must implement energy conservation initiatives. In 2020, Sunwoda and its 11 subsidiaries have attained certification under the ISO14001 standard for its Environmental Management system and has completed the Cleaner Production audit and also obtained the Green Factory certification. In accordance with the development strategy of the Group, each business division has set a specific target of reducing energy consumption per 10 thousand output by 6% per year and signed a letter of responsibility for energy conservation and emissions reduction. We are confident of achieving environmental protection and energy conservation targets with concerted efforts by all parties and renovation of energy-saving facilities.

## Operational Excellence

The Group is committed to pursuing operational excellence and customer satisfaction through innovative research and development (R&D), supplier management, quality control, and other measures. During the pandemic, we transitioned from traditional communication channels to online channels to ensure smooth communication with customers. The Group has specially provided customers with videos showing its production line to monitor at any time. The service team which provides customised service communicates with customers on project progress, product delivery, and product quality through monthly and quarterly meetings, and semi-annual and annual summaries. In 2020, the Group successfully achieved the customer satisfaction target by improving the response speed and management efficiency.

## Harmonious Development between the Enterprise and Society

The Group upholds great love and is committed to contributing to the society and sharing the fruits of its efforts with more people. In 2020, the Group took part in pandemic prevention as soon as possible and scientifically prevented the pandemic. At the same time, we continued to actively respond to the calls of the Party Central Committee and the State Council of the People's Republic of China and vigorously carried out targeted poverty alleviation work. We recruited employees from impoverished areas such as Guizhou and Guangxi, and purchased 41,500 agricultural products of poverty alleviation, to benefit impoverished groups in Guangxi, Yunnan and Guizhou. We also give back to the society through active participation in public welfare from the Sunwoda Charity Foundation. We established the Sunshine Protection Program to help those who are in need of help. Furthermore, we supported the development of rural education through donations to fund the construction of teaching buildings and scholarships and grants.



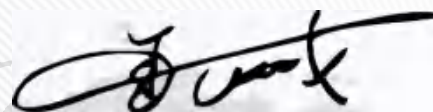
# Message from Chairman

## Looking Ahead

Based on the foundation over the past 20 years, the Group has become one of the manufacturing and service suppliers with the strongest design capacity, the perfect supporting capability and the largest production ranges in lithium-ion battery industry in China. Looking forward, Sunwoda will continue to improve organizational ability, create greater value for customers, provide broader growth space for employees, and explore more cooperation opportunities with suppliers by continuing with dedication and innovation in the new energy industry. At the same time, we will actively promote the progress of the new energy industry and continue to invest resources to help build a green and low-carbon environment to fulfill more social responsibilities. Sustainable development goals require systematic work in the long-term and joint efforts of all groups. We are willing to work with like-minded customers, suppliers, and fellow companies to build a green, environment-friendly, and harmonious world.

March 2021

Sunwoda Electronic Co., Ltd.



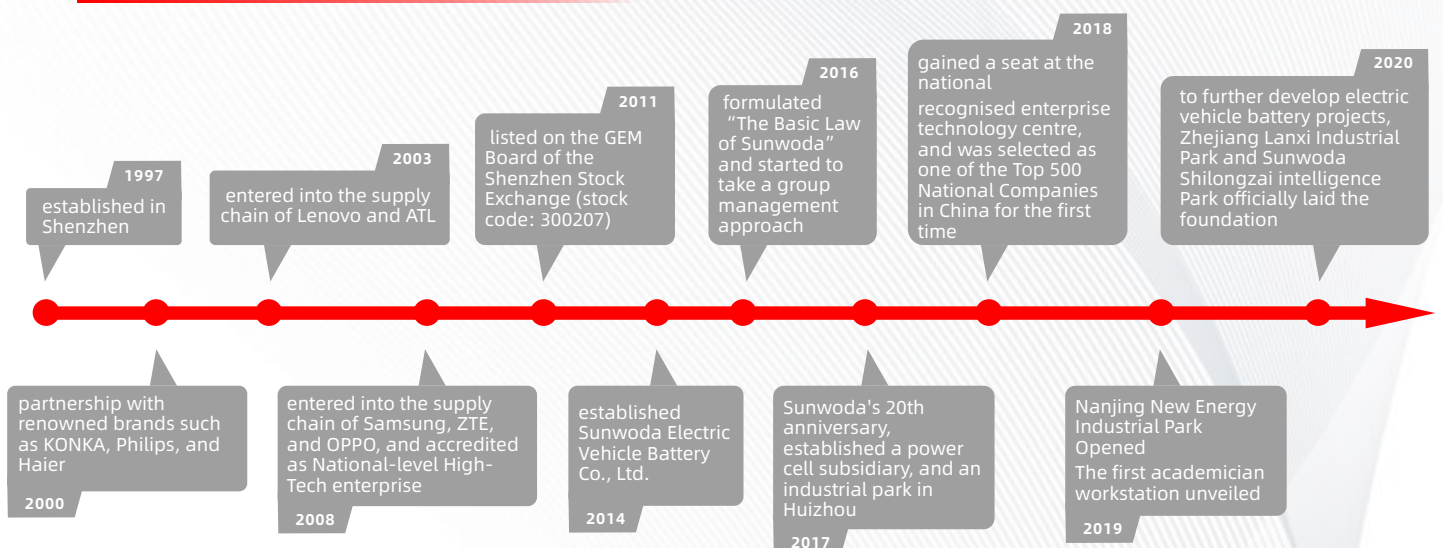
William Wang





Founded in 1997 and headquartered in Shenzhen, the Company has become a global leader in the lithium-ion battery sector after 23 years of development. The Group is deeply engaged in six business segments, covering 3C consumer batteries, electric vehicle battery and powertrain, smart hardware, energy service, automation and smart manufacturing, and testing service, etc. To date, we have six industrial bases in China and India, located in Baoan and Guangming in Shenzhen, Boluo in Huizhou, Lishui in Nanjing, Lanxi in Zhejiang, and New Delhi in India. The Group's global technology centres and customer centres are located in America's Silicon Valley, Israel, Hamburg in Germany, Hong Kong, Taiwan, Beijing, and Shanghai. In the future, we will continue to focus on development of lithium-ion batteries and strive to provide greener, faster, and more efficient integrated new energy solutions to the society.

## Milestones





# About Sunwoda

## Business Segments



**3C Consumer Battery Products**

Supply battery products for leading domestic and international mobile phones, notebook computers, and consumer electronics brands, which is the Group's traditional core business.



**Smart Hardware Products**

Provide solutions for smart hardware for various commercial and domestic smart products, including wearable VR devices, drones, smart speakers, and smart home devices, etc.



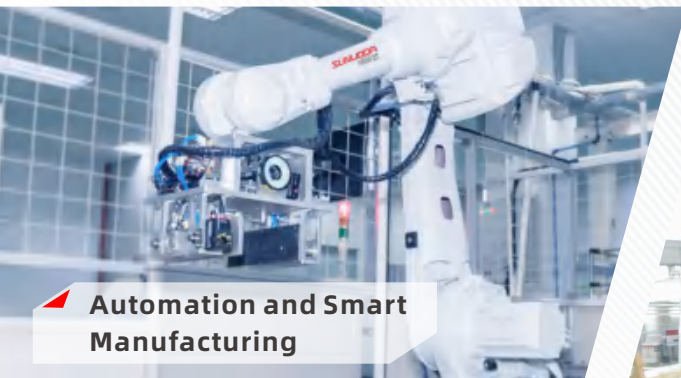
**Energy Service**

Supply energy storage system solutions to power grids, industrial and commercial sectors, and households, and provide network and integrated energy services, with projects covering renewable energy generation, large industrial users, green households, communication base stations, etc.



**Electric Vehicle Battery and Powertrain**

Provide electric vehicle battery solutions for domestic and foreign new energy vehicle enterprises. The Group has full capabilities from independent R & D to production and packaging, with highly automated production lines.



**Automation and Smart Manufacturing**

Deliver smart solutions from design, planning, production to service, with products covering automated production lines, automotive power cores, modules and related laser welding equipment, etc.



**Testing Service**

Provide various certified R & D verification tests, quality inspection services, and customized testing projects for consumer batteries, electric vehicle batteries, and energy storage batteries.



## Honors and Awards in 2020



We received numerous recognitions in 2020, some of which are listed below:

Category	Honors/Awards	Issued by
Product Brand	• CBIS2020 Technology Innovation Award	CBIS2020, China Battery Enterprise Alliance
	• China Battery Industry 2020 Innovation Award	China Battery Enterprise Alliance
	• Gold Award at the 2020 World Battery Industry Expo	World Battery Industry Expo Committee
	• Luban Prize – 2020 Leading Brand of Smart Wearable Lithium Battery in China	SPIR-SPIR Lithium Battery Big Data
	• Luban Prize-2020 Top 10 TWS Headphone Lithium Battery Brands in China	
	• Luban Prize – 2020 Top 10 3C Digital Lithium Battery Brands in China	
	• 2020 Best Battery Replacement Brand	BRICS Forum
	• 2020 Huawei Excellent Quality Award	Huawei Technologies Co., Ltd.
	• 2020 VAVE Contribution Award • Excellent Supplier in 2020	Dongfeng Liuzhou Motor Co., Ltd.
	• 2020 Mi Core Supplier	Xiaomi Mobile Technology Co., Ltd.
Employer Brand	• 2020 vivo Best Delivery Award	vivo Mobile Communications Limited
	• 2020 Best Employer in China	Zhaopin.com
	• Model of Staff Service in Guangdong • Outstanding Unit for Open and Democratic Management of Factory in Guangdong	Guangdong Federation of Trade Unions
	• 2020 Employer Operation Model Award • 2020 Campus Recruitment Excellence Award	Dayee, DHR Labour Union
	• Guangdong Creditable Enterprise	Market Supervision Administration of Shenzhen
Corporate Value	• 339 <sup>th</sup> among the Top 500 Manufacturing Enterprises in China in 2019	China Enterprise Confederation, China Enterprise Directors Association
	• 2020 Shenzhen 40 Most Respected Listed Companies in 40 years	Shenzhen Securities Times Staff Co., Ltd.
	• 2020 Most Influential Enterprise in Energy Storage Industry in China	China International Energy Storage Conference, Energy Storage China Network
	• 2020 Advanced Technology Innovation Unit	Guangdong Battery Industry Association
	• 2020 Top 30 China Best Investment Value Electronic Vehicle Enterprise	Trailer Association
	• Innovative Benchmark Enterprise	Shenzhen Baoan District Top 100 Enterprises Association



# 04

## Managing Responsibilities

As a responsible enterprise, the Group integrates the concept of a responsible management into its daily operations, maintains close communication with stakeholders, responds to their concerns in a timely manner, and contributes to the achievement of the United Nations(UN) Sustainable Development Goals.

### SUSTAINABLE DEVELOPMENT GOALS





# Managing Responsibilities

## CSR Management

The Group attaches great importance to CSR management and had established the "Social Responsibility Manual" (the "Manual") way back in 2011 as the programmatic and guiding document. The Group keeps itself abreast of internationally recognised standards and formulates and implements management measures on an ongoing basis, combining them with developmental goals. We continuously improve the Manual and our internal management measures to promote sustainable development of the Group.

The Group established an independent CSR Management Committee in 2020, which is chaired by Mr. Wang Wei, General Manager of Sunwoda, to lead the social responsibility matters. We will continue to incorporate economic, environmental, and social considerations into all business decision-making processes to promote a more comprehensive and robust social management framework.



### Committee Chairman

Mr. Wang Wei, General Manager of the Company, is responsible for the overall working and orientation of CSR of the Group and reviewing the CSR development strategies and policies formulated by the committee.

### Committee Vice Chairman

There are three vice chairmen of the committee, responsible for Risk Control and Audit Department, Quality Centre, and Administrative and Safety Centre of the Company. They are responsible for leading the committee members to formulate CSR-related management systems and promote implementation of CSR strategies and policies of the Group. The person-in-charge of Quality Centre acts as the main coordinator of the annual CSR report and promotes information collection and compilation of the annual CSR report.

### Chief Secretary

The Board Secretary serves as the secretary to the committee, responsible for organising CSR meetings and reviewing the annual CSR report.

### Committee Members

The Company has established a number of committees at corporate level, consist of representatives elected by seven functional departments of the Company, namely the Technology Research Institute, the Strategy and Brand Department, the Operation Management Center, the Procurement and Logistics Center, the Human Resources Center, the Sunwoda University, and the Corporate Culture Department, and the general manager of each business department of the Group. The committee members, under the guidance of the chairman and the vice chairmen, oversee and promote and manage their responsible CSR issues.



## Material CSR Issues

# Managing Responsibilities

To understand the CSR issues that concern different stakeholders and that have a significant impact on the development of the Group, we conducted a materiality assessment in 2020 with reference to GRI Sustainability Reporting Standards. Through four steps, identification, prioritisation, validation, and review, we have identified material issues and responded to concerns of stakeholders in the report.



## Materiality Matrix

By analysing the scores and prioritising issues, we have established a materiality matrix. Issues located in the first level are very important to either the Group or the stakeholders or both and we refer to them as material issues.





# Managing Responsibilities

## Responding to Stakeholders' Concerns

Material Issues	Key Performance/ Highlights in 2020	Corresponding Chapter
Product and Service Quality	<ul style="list-style-type: none"> <li>• Strict quality control throughout the product lifecycle</li> <li>• Reasonable disposal of unqualified products</li> <li>• Strictly controlled over hazardous substances involved in the production process</li> <li>• Ensured traceability and identifiability of raw materials and products at all stages</li> <li>• Carried out quality training activities</li> </ul>	Responsibility for Customer
Company Economic Performance	<ul style="list-style-type: none"> <li>• Operating income 29.69 billion</li> <li>• Net profit attributable to parent company 802 million</li> <li>• Earnings per share 0.52yuan/share</li> </ul>	Responsibility for Economy, Sunwoda 2020 Annual Report
Customer and Consumer Rights Protection	<ul style="list-style-type: none"> <li>• Understood customers' needs through interviews, industry exhibitions, satisfaction surveys, etc.</li> <li>• Handled customer complaints timely and properly</li> <li>• Compliance with the Confidentiality Agreement with Customers</li> <li>• Prohibited employees participating in different projects from communicating with each other</li> </ul>	Responsibility for Customer
Business Ethics and Anti-Corruption	<ul style="list-style-type: none"> <li>• Conducted anti-fraud work under the guidance and supervision of the Board</li> <li>• Encouraged employees to conduct real-name or anonymous reports NOT CLEAR</li> <li>• Protected legitimate rights, interests, and safety of whistleblowers</li> <li>• Promoted integrity advocacy</li> </ul>	Responsibility for Economy
Technological innovation	<ul style="list-style-type: none"> <li>• Conducted R&amp;D work through various platforms or institutions</li> <li>• Rewarded R&amp;D personnel or teams with outstanding performance</li> </ul>	Responsibility for Customer
Intellectual Property Protection	<ul style="list-style-type: none"> <li>• Improved intellectual property protection and management system</li> <li>• Implemented training on intellectual property rights</li> </ul>	Responsibility for Customer
Supplier Management	<ul style="list-style-type: none"> <li>• Conducted information, sample, and on-site review on potential suppliers</li> <li>• Signed Quality Assurance Agreement and other agreements with suppliers</li> <li>• Regularly monitored and assessed suppliers in cooperation</li> </ul>	Responsibilities for Partners
Talent Management	<ul style="list-style-type: none"> <li>• Attracted outstanding employees</li> <li>• Conducted diversified training</li> <li>• Established a qualification system</li> <li>• Protected human rights of employees</li> </ul>	Responsibility for Employees

## Supporting the UN Sustainable Development Goals

We support the UN Sustainable Development Goals (SDGs) and contribute to realisation of SDGs by implementing CSR strategies. In 2020, the Group conducted a value chain analysis of its business with reference to integrating the SDGs into Corporate Reporting: A Practical Guide, [PL CHECK THIS] which was jointly issued by the United Nations Global Compact (UNGC) and the Global Reporting Initiative (GRI). The analysis identified 9 SDGs highly relevant to the Group's operations, as well as its significant risks and positive impacts on people and the environment. The following table provides a brief overview of the Group's relationship and major contributions to the 9 SDGs.

### Responsibility for the Economy

We attach great importance to the internal anti-fraud governance structure and daily anti-fraud management to ensure integrity of employees, which is in line with the following objectives:



#### SDG 16 Peace, Justice and Strong Institutions

16.5 Substantially reduce corruption and bribery in all its forms

### Responsibility for Consumer

We are deeply engaged in the field of new energy. The relevant measures adopted in the internal innovative R&D and product management process are in line with the following objectives:



#### SDG 7 Affordable and Clean Energy

7.1 Ensure access to affordable, reliable, sustainable and modern energy for all



#### SDG 9 Industry, Innovation and Infrastructure

9.4 Greater adoption of clean and environmentally sound technologies and industrial processes  
9.5 Enhance scientific research and encourage innovation



## Responsibility for Employee

Human resources are crucial for an enterprise. Our human resources management pursues the following objectives:



### SDG 8 Decent Work and Economic Growth

- 8.5 Achieve decent work and equal pay for work of equal value
- 8.6 Substantially reduce the proportion of youth not in employment, education or training
- 8.7 End child labour in all its forms



### SDG 10 Reduced Inequalities

- 10.3 Ensure equal opportunities and reduce inequalities

## Responsibility for Environment

We are committed to reducing the impact of our operations on the environment and bringing positive benefits to the environment through the development of new energy, which is in line with the following objectives:



### SDG 7 Affordable Clean Energy

- 7.2 Increase substantially the share of renewable energy in the global energy mix



### SDG 12 Responsible Consumption and Production

- 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their respective lifecycles
- 12.5 Substantially reduce waste generation

## Responsibility for Community

We are committed to public welfare such as poverty alleviation, education and culture, and we actively fought against the pandemic in 2020. Such community engagement activities are in line with the following objectives:



### SDG 1 No Poverty

- 1.a End poverty in all its forms everywhere



### SDG 3 Good Health and Well-being

- 3.3 Combat hepatitis, water-borne diseases and other communicable diseases

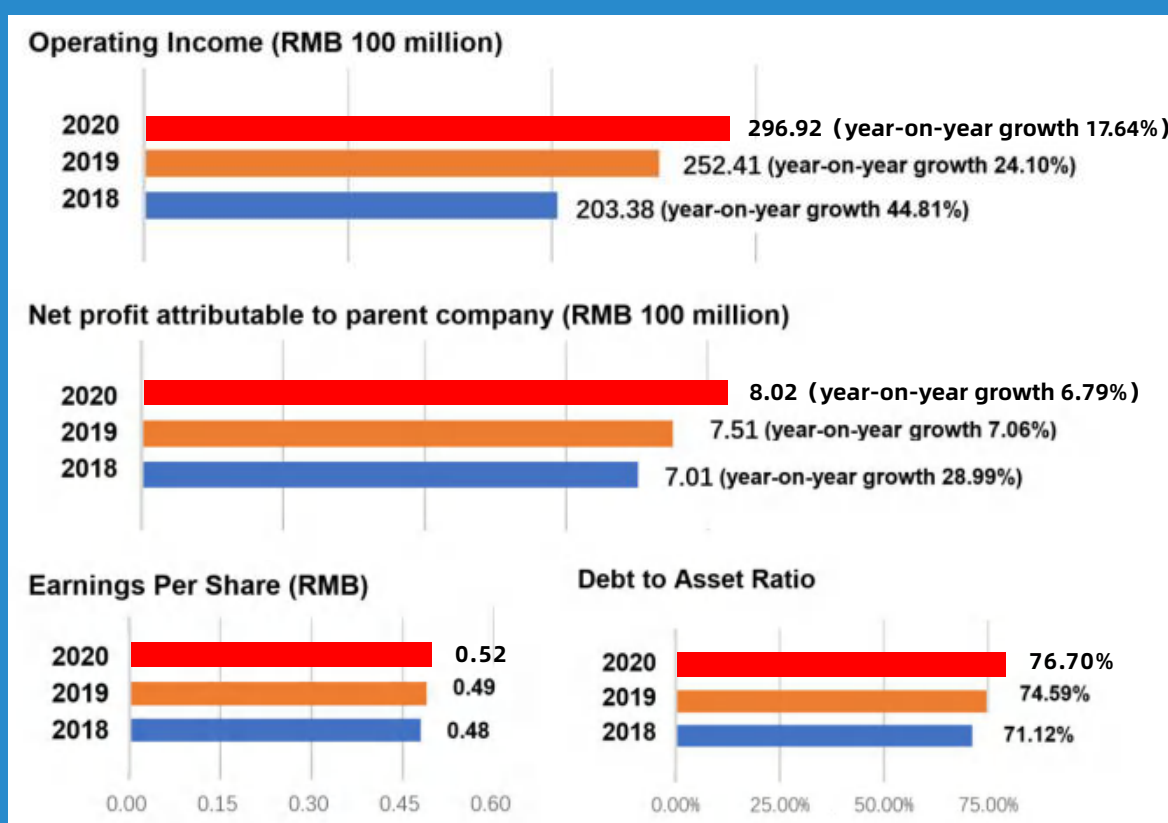


### SDG 4 Quality Education

- 4.a Provide safe, non-violent, inclusive and effective learning environment for all

The Group continuously improves its internal organisation and governance structure, strictly complies with laws and regulations, attaches great importance to integrity, and strives to create a compliant and honest working atmosphere.

## Key Performance Indicators<sup>1</sup>



Organisation and Governance | Integrity Construction

<sup>1</sup>For detailed economic performance, please refer to the 2020 Annual Report of Sunwoda Electronics Co., Ltd.

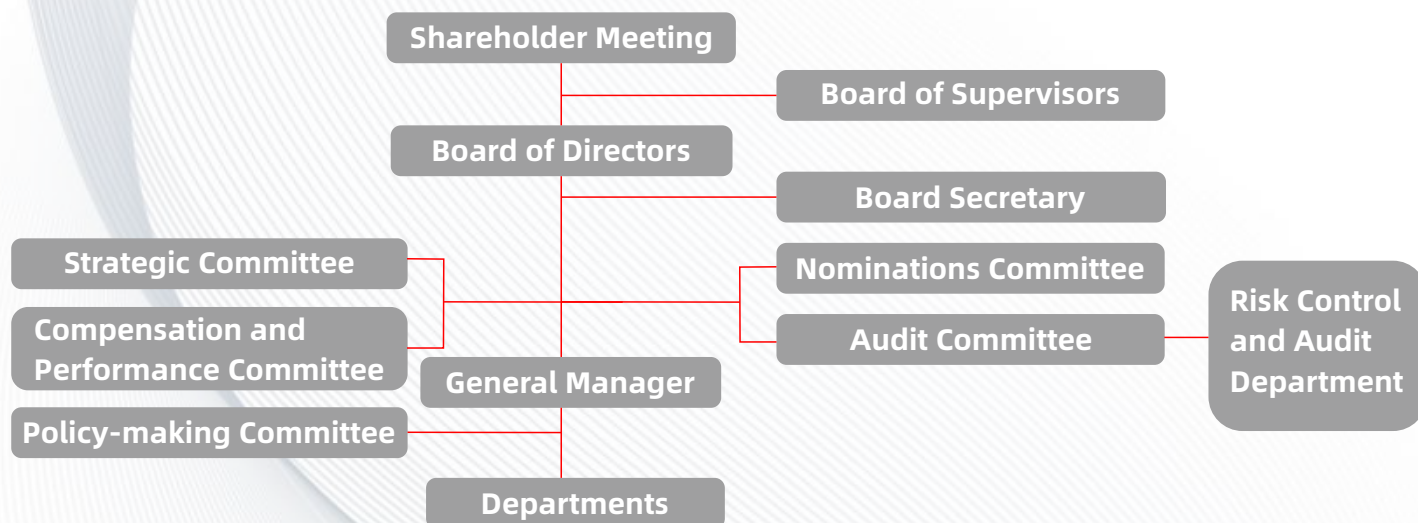


## Organisation and Governance

### Organisational Structure

Since its establishment, Sunwoda has been managed and operated in strict compliance with the “Company Law”, the “Securities Law” and other relevant laws and regulations and it has constantly enhanced its internal control systems and organisational structure. The Company has formed an organisational structure that includes Shareholders, Shareholder Meeting, Board of Directors, Board of Supervisors, Executives and other institutions. All these bodies exercise their respective powers in accordance with the laws, and relevant departments perform their duties in accordance with regulations, forming a management structure with clear accountability, checks and balances, and standardised manners.

As of the end of 2020, the Company's organisational governance structure is as follows:



#### Shareholder Meeting

The Company convenes and held shareholders meetings in strict compliance with the “Company Law”, the “Rules of Shareholders Meetings of Listed Companies” and other laws and regulations. We ensure that all shareholders have sufficient right to speak at the shareholders meetings, and that all shareholders, especially minority shareholders, can enjoy equal status and fully exercise their rights. In 2020, the Company held a total of 10 shareholders meetings and deliberated 39 proposals.

#### Board of Directors

Our Board consists of 7 directors, 3 of whom are independent directors. When appointing members of the Board, we specially take into account factors such as professional diversity and independence. The board of the Company comprises industry experts and other professionals with the requisite knowledge, skills, and qualities to perform their duties. In 2020, the Company held a total of 15 Board meetings, at which 81 proposals were deliberated.

#### Board of Supervisors

The Company has 3 supervisors, including 1 employee supervisor. The supervisors are responsible for supervising the Company's significant events, financial position, and the legality and compliance of the Board of Directors and senior management.

#### Regulating Information Disclosure

In addition to strict compliance with the “Administrative Measures for Information Disclosure of Listed Companies” and other regulations, the Company has formulated the “Information Disclosure Affairs Management System”, the “Investor Relations Management System”, the “Internal Reporting System for Material Information”, and other documents to ensure timely, true, accurate, and complete information disclosure to investors. Besides setting up dedicated telephone, fax, email and other channels, the Company also maintains close communication with investors through an interactive platform (launched by Shenzhen Stock Exchange), on-site investigation by investors, and attending strategy meetings organised by securities firms.



## Integrity Construction

The Group strictly abides by national laws and regulations and actively responds to national policy guidelines and calls. We continuously strengthen internal risk control, legal compliance, and audit supervision and have established a comprehensive compliance management system with clearly defined and assigned responsibilities and efficient execution to ensure the Group's legal and compliant operations.

## Anti-corruption

The Group has established a comprehensive anti-fraud management system, including the "Anti-Fraud Management Regulations", the "Regulations on Honest Moral Behavior Management", and the "Regulations of Business Ethics Management", which set out the behaviors that may constitute corruption and the corresponding punishment measures, so as to urge employees to practice integrity and prevent employees from taking advantage of their positions and powers to seek improper gratification.

As an important part of the Group's management, anti-fraud work is directly under the guidance and supervision of the Board. The management of the Group is responsible for establishing, improving, and supervising the implementation of anti-fraud procedures and reporting to the Board of Directors, the Board of Supervisors, and the Audit Committee at least once a year. The Risk Control and Audit Department, the leading department of anti-fraud work, works under the leadership and supervision of the Audit Committee, established by the board of directors. Adhering to the principle of "strict precaution and prevention focused", the Risk Control and Audit Department has established the anti-fraud mechanism, clarified the key areas of anti-fraud work and the responsibilities of each business department, and reports directly to the Board of Directors, the Board of Supervisors and the Audit Committee.

## Reporting System

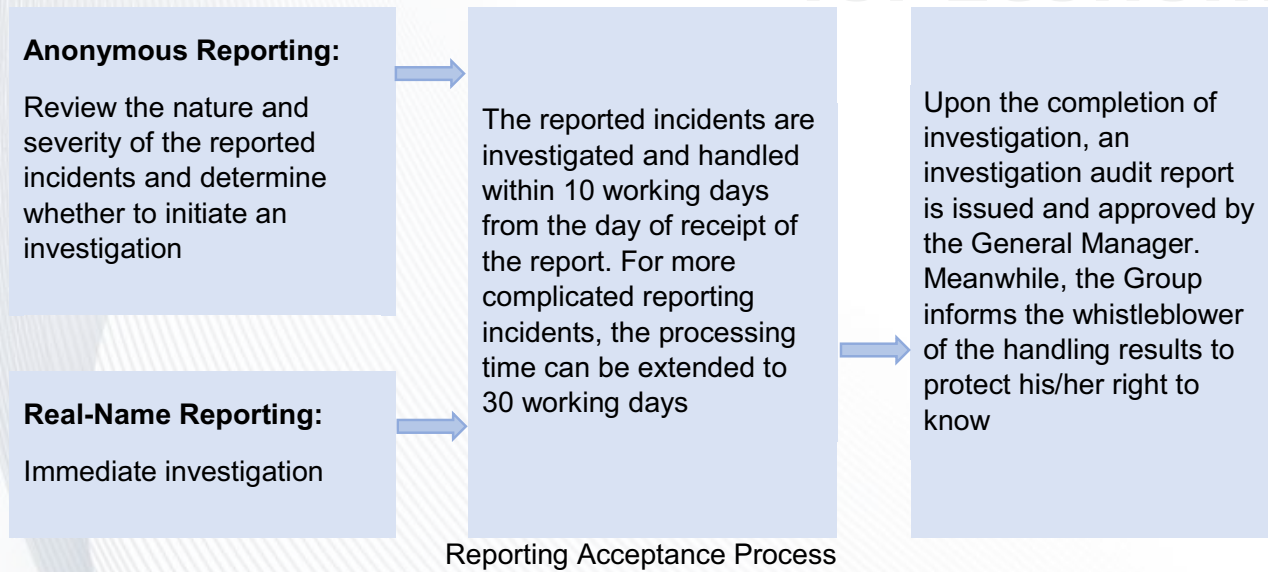
The reporting system is one of the main measures for the Group to detect fraud. The Group has established the "Regulations on Reporting, Acceptance, and Investigation Management" to encourage employees and stakeholders to anonymously or otherwise report any instance of internal violation of laws, regulations and discipline, fraudulent behavior, and behavior that is detrimental to the interests and corporate image of the Company through e-mail, telephone, letter, Company's website, or face-to-face reporting. If the reported incident is verified after investigation, the whistleblower is rewarded accordingly, among which, supplier whistleblowers can receive 5,000 to 5 million rewards, and employees of the group (including former employees) can receive 1,000 to 1 million rewards.



Main channels for  
fraud detection

The Risk Control and Audit Department is responsible for accepting all kinds of reports and complaints, following up investigation process, and making recommendations for handling. Upon the receipt of reports, the Risk Control and Audit Department handles the reported incidents according to procedures and ensures that the investigation is conducted in a confidential manner. If the reported incident is verified, the Risk Control and Audit Department recommends punishment for the reported person in accordance with the "Regulations on Reward and Punishment Management" to the General Manager. Relevant punishments are awarded upon the approval of the General Manager. The person who violates the law is handed over to the judicial authority. The Group also reviews the reported incident afterwards and forms a written report for further improvement of the internal control system.





## Whistleblower Protection

The Group has formulated the "Regulations on Management of Protection of Whistleblowers", which sets out the protection measures for whistleblowers, strictly punishing retaliation against the whistleblowers, protecting the legitimate rights and interests and personal safety of the whistleblowers. We strictly prohibit the disclosure of whistleblowers' personal information during the investigation process, or in the subsequent publicity reports and whistleblower rewards. In addition, the person being reported are strictly forbidden from obtaining whistleblower's information in any form. If this requirement is violated, they are punished with a higher penalty. In case the whistleblowers or their relatives are threatened with personal or property safety due to the reported incident, the Group assists them in reporting to the police and seeking legal assistance.



## Culture of Integrity

We greatly value integrity and advocate an ethical and upright corporate culture, striving to create a healthy and sincere working environment. We promote a culture with integrity among all employees through integrity training, case studies, promotional videos, public accounts, and organisational advocacy month. In 2020, the Board of Directors and supervisors of the Group participated in a number of online training events organised by the regulatory authorities and other institutions to familiarise themselves with the relevant laws and regulations and effectively improve performance. We also require all employees to sign the "Letter of Commitment for Ethical Code of Conduct for Employee" when they join the Company, which sets out the professional ethics that employees are required to perform. In addition, we require employees to conduct integrity self-inspection, and the self-inspection data will be record by the Risk Control and Audit Department. At the end of the year, the management of the Group receives an integrity compliance performance assessment, which affects their benefits and the performance of each department they are in charge of. The Group also signs the "Integrity Co-construction Agreement" with suppliers to convey the requirements of ethical laws and code of conduct to suppliers.

The Group is customer-oriented and listens to its customers to learn more about their needs and expectations. We continuously enhance customer satisfaction through strict quality supervision and R&D innovation.



## R&D Investment

RMB **1.81** Billion



## Number of New Patent Applications

**589**

## New Patents Granted

**344**



## Customer Grievance Cases

**100%** resolved



## R&D and Innovation

The Group regards technological innovation as the locomotive for corporate development and continuously appoints high-end R&D technicians to form a comprehensive and multi-level talent system.

### Our Capabilities

The Group has a number of platforms such as the National Enterprise Technology Centre, Academician Workstation, and the Engineering and Technology R&D Centre of Guangdong Province, and has established various research and development institutions around its principal businesses including Automotive Battery and Powertrain Research Institute and Intelligent Hardware Research Institute, etc., which function as the driving force for the Group's R&D and technological innovation. To motivate the innovation spirit of our R&D personnel, we have established an incentive system to reward our R&D personnel or teams for outstanding performance at work.

As a leading enterprise in the lithium-ion battery industry, the Group has years of experience in the R&D and manufacturing of lithium-ion batteries and participation in the preparation of multiple national standards.

Participation Status	The Name of Standard
Coedit	Specification of Lithium-Ion Traction Battery for Electric Vehicles Specification of Recycling of Lithium-Ion Batteries for Electronic Vehicle Life Cycle Testing Procedure of Lithium-Ion Battery Modules for Electric Vehicles Lithium-Ion Traction Battery Used in Electrically Propelled Road Vehicles-Safety Specifications Periodic Test Methods of Lithium-Ion Traction Battery for Electric Vehicles Test Methods of Environmental Adaptability for Lithium-Ion Traction Battery System of Electric Vehicles
Editor	Lithium-Ion Cells and Batteries Used in Portable Electronic Equipment—Safety Requirements Specification of Lithium-Ion Battery Enterprise Safety Production General Specification for Portable Digital Equipment Power Bank

### Intellectual Property

The Group strictly abides by relevant laws and regulations on intellectual property and continuously optimises the intellectual property protection and management system. In 2020, we remained committed to improving various work procedures related to intellectual property rights, including the patent application process, external communication, etc., so as to promote the standardised and efficient maintenance of intellectual property rights. We also actively organise various intellectual property rights related trainings, covering protection and management of intellectual property rights, patent mining, and patent layout.

We actively safeguard our intellectual property rights by taking proper actions when needed, such as trademark infringement and malicious competition that damage the rights and interests of the Group. And we respect intellectual property rights of others, using only legally the technology of others, ensuring that the rights and interests of others are not infringed. For this we have an internal review system.

2020

**New patents  
granted**

**344**

**New patent  
applications**

**589**



# Responsibility for Customer

## Quality Management

The Group adheres to the quality policy of “Customer orientation, excellent quality, compliance with regulations Economic and environmental protection, full participation, continuous improvement”, and has established a sound product quality management system to ensure the quality of products and services.



## Management Approach

We have formulated the “Quality & HSF<sup>2</sup> Manual” in accordance with the ISO9001: 2015, QC080000: 2017 standards to establish a quality management system covering the whole management process for material procurement, product design and development, product production, and after-sales services, etc. We have also formulated and implemented the “Regulations on Internal Audit Management” and conduct a comprehensive internal audit on the quality management system once a year to timely identify potential problems and take improvement measures to ensure the effectiveness of the management system.



Up to now, Sunwoda and its 14 subsidiaries have obtained the Quality Management System Certification ISO9001, and some subsidiaries have acquired the QC080000 certification, Medical Device Quality Management System Certification ISO13485, and Automotive Quality Management System Certification IATF16949. Further, we have a number of domestic and international product certifications.

### Quality Management System Certifications

- 15 companies acquired ISO9 001 Certification
- 9 companies acquired QC080000 Certification
- 2 companies acquired ISO13485 Certification
- 2 companies acquired the IATF16949 Certification
- 1 laboratories obtained ISO17025 certification

### International Product Certifications

- American FCC, CTIA, UL Certification
- EU WEEE
- International CB Certification
- BQB Certification
- Wireless Charging Alliance Qi Certification, etc.

### Domestic Product Certifications

- China Compulsory Certification (CCC)
- Voluntary Product Certification (CQC)
- Taiwan NCC Certification
- Taiwan BSMI Certification, etc.

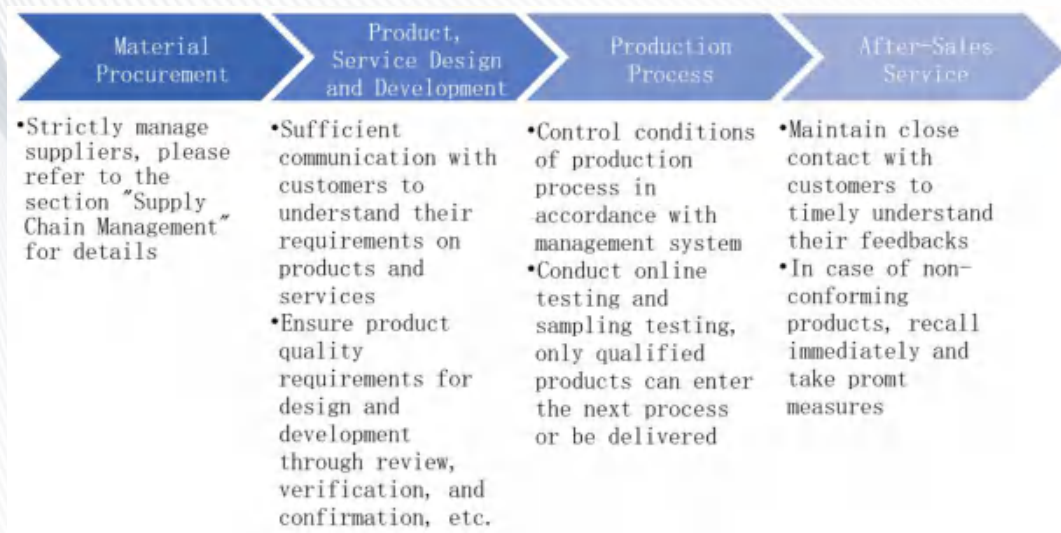
2: Hazardous Substance Free, refers to reducing or eliminating any harmful substances



# Responsibility for Customer

## Quality Control

The Group strictly controls all aspects of the production process to ensure that the quality of products and services meets the requirements of its customers. In 2020, the product qualified rate of each business segment of the Group was nearly 100%.



We have a number of procedures and systems in place, including control of non-conforming products, management of hazardous substances, and traceability of labels. In 2020, the Group did not have any product recall event due to quality reasons.

### Management of Non-conforming

Regulate the disposal of non-conforming products in each process, including incoming materials, production process, finished products, and product inspection.

### Hazardous Materials

Regulate the control of hazardous substance in material procurement, new product development, manufacturing, packaging, storage, transportation, and other processes.



### Identifiability and traceability

Require traceability and Identifiability of raw material transportation and the whole lifecycle of products, to prevent misuse or mishandling, and to prevent the delivery of unqualified products.

## Quality Culture

The Group actively cultivates quality culture and introduces advanced quality tools. We have continuously carried out various activities, including Lean Six Sigma, Quality Control Circle, improvement proposal activities, and commended outstanding employees during the activities. Through various forms of activities, employees' recognition for quality concepts and quality management capabilities is enhanced.

Since 2016, remuneration at all levels, from the General Manager of the Board to junior management, is linked to quality performance. Key performance indicators of product quality are included in annual assessment standards. The Group also sets quality targets at the beginning of the year, cascading the quality performance targets from top to bottom, and employees at all levels carry certain quality responsibilities.

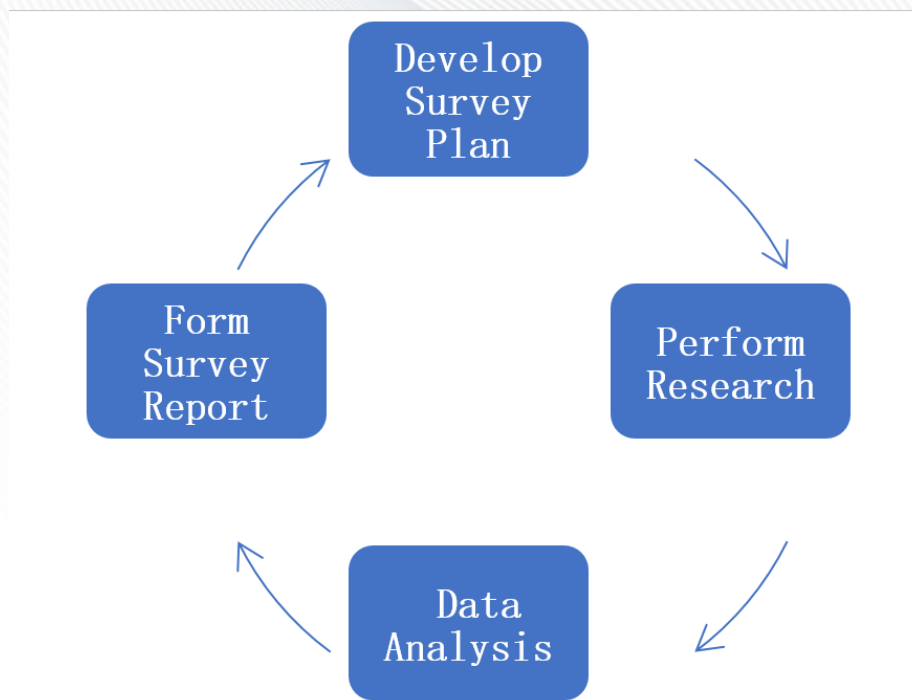
## Customer Services

The Group is customer-oriented and strives to provide customers with products and services that meet their demands and exceed their expectations by understanding their needs and expectations.

## Customer Satisfaction

The Group maintains close communication with customers through various channels such as interviews, group surveys, industry exhibitions, and customer satisfaction surveys to timely obtain customers' needs and expectations.

The Group has established the “Regulations on Customer Satisfaction Management” and the Quality Department carries out customer satisfaction surveys and irregular customer visits to understand customer satisfaction. We also conduct research mainly on engineering support ability, execution, quality control, technological innovation, and social responsibility to our domestic and foreign customers to timely identify and solve problems by analysing their needs, so as to provide high-quality services and improve satisfaction.



Customer Satisfaction Survey Procedures



## Feedback and Grievance Mechanism

The Group has established the “Customer Complaint Handling Process”, understanding customer satisfaction through customer satisfaction survey and customer visits. Customers can provide feedback and opinions to us through email, telephone, WeChat, face-to-face meetings, etc. Upon receiving feedbacks, we adhere to the 2485 principle to respond to customers.

### 2485 Principles:

Provide temporary solutions within **24 hours**, deliver analysis and long-term solutions within **48 hours**, and complete improvement report and verify solution result within **5 days**

#### Quality Engineer: Receives Complaint

- Confirm complaint information
- Form the 8D team

#### 8D Team: Analyses and Handles Complaint

- Verify complaint level
- Respond to customer within 24 hours with a temporary solution
- Analyse possible causes and provide improvement measures

#### Quality Engineer: Confirm Handling Result

- Formulate “8D Report” for customer to affirm improvement plan
- If customer is not satisfied with the result, reformulate the improvement plan until customer is satisfied

## Quality Complaint Handling Measures

When customers lodge complaints about quality issues, the Group timely convenes relevant personnel of concerned departments, suppliers, and third-party verification agencies to form an improvement team (the “8D Team”).

## Information Security and Privacy

The Group highly values the security of customer data and privacy. In order to ensure proper protection of the data and information system, we have established an information security management strategy in accordance with the information security management framework, technical standards, and the Group's overall business risks and activities. An Information Security Committee is established and led by the General Manager as the highest decision-making body for the Group's information security work, responsible for making major decisions, reviewing and approving related objectives and policies. In 2020, the Group's 3C consumer battery, smart hardware, and electric vehicle battery segments have all passed the ISO/IEC 27001 Certification, while its subsidiary, Sunwoda Electric Vehicle Battery Co., Ltd. has passed the Tisax (VDA-ISA) evaluation and obtained the Tisax certification label, acquiring the recognition of the automobile industry's information security evaluation. In order to further improve the Group's information security management, we have adopted a variety of information security management and technology control strategies. At present, Guangming Industrial park has passed and obtained the National Information Security Level Three Certification. In addition, Sunwoda strictly abides by the confidentiality agreement with customers, and employees involved in the project are also required to comply with strict confidentiality clauses, and avoid informational interaction between different projects through information security management and technical control.

# 07

## Responsibilities for Partners

Adhering to the principles of fairness and impartiality in procurement, the Group continuously deepens its cooperation with suppliers, strengthens the sense of social responsibility of suppliers, encouraging the formation of a sustainable supply chain.



**Suppliers**

**2100**



**Conduct Social Responsibility Training  
for 66 suppliers**

**Employees of Suppliers Participated in the  
Social Responsibility Training Provided by  
the Group and the number reached 756  
Person-times**

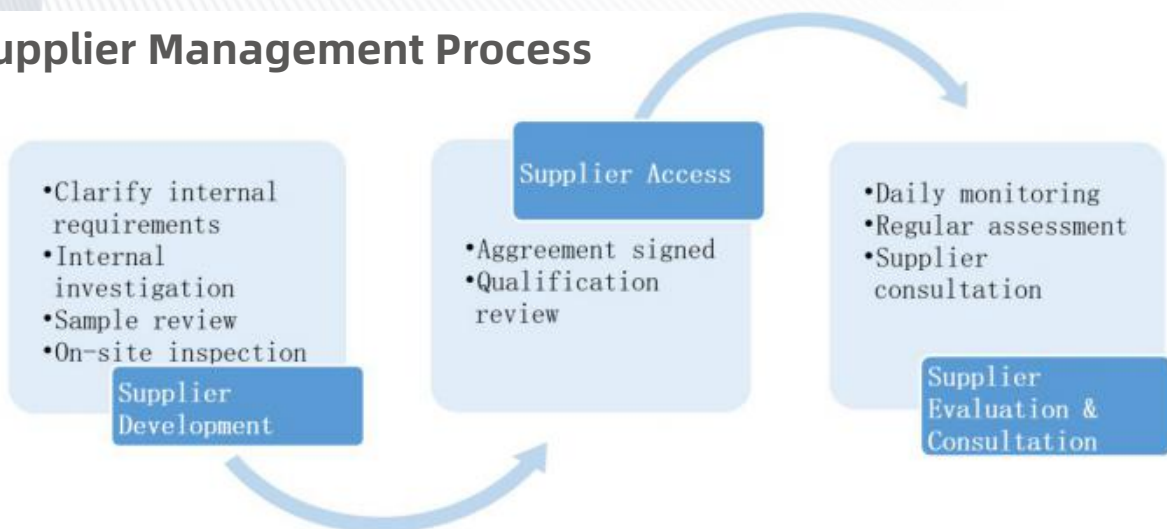


# Responsibilities for Partners

## Supply Chain Management

We recognise the importance of sustainable supply chain to product quality and corporate development. The Group has established internal policies such as the “Regulations on Supplier Evaluation and Monitoring Management” and the “On-site Supplier Review Process”. The Group selects high-quality and socially responsible suppliers through supplier evaluation, daily management evaluation, annual review, etc., to ensure transparent and efficient operation of the supply chain and promote sustainable development of the supply chain. As at the end of 2020, the Group had a total of 2,100 major suppliers, of which 1,969 were located in Mainland China and 131 were located in other regions.

### Supplier Management Process



## Supplier Development

We collect basic information such as qualification and production capacity of potential suppliers through questionnaires for preliminary screening. Suppliers who successfully pass the preliminary screening are subject to further sample review and on-site review. We require our suppliers to acquire ISO9001 and ISO14001 certifications or have plans formulated to obtain these certifications. The final selected suppliers are required to sign agreements such as the “Quality Assurance Agreement” and the “Material Environmental Protection Agreement” with the Group before they can be officially included in the Group's supplier list. In 2020, there were no suppliers rejected due to social responsibility non-compliance during the screening and review process.

In addition, we have established the “Hazardous Substances Management Process” and the “Environmental Management Material Technical Standards”, requiring suppliers to provide material components lists and necessary third-party inspection reports (including but not limited to RoHS, REACH, and halogen-free). XRF environmental inspection is also conducted on the suppliers' incoming materials to ensure that the products provided meet the international and industrial environmental protection laws and regulations, customers' requirements, and the internal requirements.

## Supplier Assessment and Consultation

The Group conducts daily monitoring and regular assessment of suppliers and strictly controls the product quality and services provided by suppliers through on-site inspection and on-site consultation. In 2020, we reviewed a total of 352 suppliers.





### Daily Monitoring

- Daily monitor the quality of incoming material
- Inspect the environmental compliance status of the incoming materials during the trial production and mass production, to satisfy the laws and regulations and customer requirements
- Conduct regular test of raw materials from second-tier suppliers providing key materials, and conduct on-site inspection on important second-tier suppliers with first-tier suppliers



### Regular Assessment

- Grade suppliers based on the production line quality and incoming material inspection, etc. in the **monthly assessment**
- Suppliers graded as "A" are prioritised in cooperation opportunities
- Suppliers graded as "D" need to improve their existing problems, and we provide consultation as appropriate. If these suppliers remain the grade in the **quarterly assessment**, cooperation is suspended until they are rectified
- Establish long-term relationships with suppliers that graded as "A" for four consecutive quarters
- Conduct **annual assessment** of qualified suppliers, including follow-up on the validity of ISO system and management system of suppliers

If quality issues are identified in the products provided by suppliers during the monitoring and evaluation process, suppliers are required to formulate improvement measures in a timely manner in accordance with the Group's "2485 Principles". The Group's quality engineers are responsible for monitoring the timeliness and effectiveness of implementation of measures to ensure the quality of raw materials.

## Responsible Procurement

The Group incorporates sustainable development into supply chain management to ensure that suppliers take responsibilities for the environment, employees, and the society while providing products and services. The Risk Control and Audit Department conducts Project Sunlight procurement management for suppliers, and requires suppliers to sign a social responsibility integrity agreement and conduct integrity self-inspection. We require our suppliers to meet all the requirements of Social Accountability 8000(SA8000) and the Code of Conduct - Responsible Business Alliance Social Responsibility Standards (RBA) or have a plan to obtain the corresponding qualifications. At the same time, we convey our requirements for social responsibilities to suppliers by providing them with social responsibility training or other means. We incorporate the assessment of social responsibility performance into supplier management procedures, and regularly evaluate the CSR performance of suppliers to promote sustainable development in the long run. In 2020, we provided social responsibility training for 66 suppliers with 756 person-times.

### Supplier Social Responsibility Standards

- **Labour Management:** protecting employees' human rights, respecting and protecting employees' freedom of association and right of collective bargaining, and not employing child labours and forced labour
- **Occupational Safety and Health:** Ensuring employees' occupational safety and reducing occupational hazards
- **Environment:** Saving resources and minimising the adverse impact of operations on the community, environment and natural resources
- **Business Ethics:** Comply and operate with the highest standards of integrity



Regarding conflict minerals management, the Group is committed to ensuring, under reasonable circumstances, that the tantalum, tin, tungsten, and gold contained in the products provided are conflict-free materials or have equivalent third-party certifications, and their procurement will not benefit the armed forces in the Democratic Republic of the Congo or other neighboring countries/regions in abusing human rights or otherwise become their direct or indirect source of funding. In addition, we conduct due diligence on the source and chain of custody of these minerals and provide relevant review measures if required by our customers. We also require our suppliers to comply with and implement this conflict minerals management method to fulfill their social responsibilities.



Employees are the principal component and the spirit of an enterprise of development of the enterprise. The Group is committed to creating a safe, healthy, harmonious, working environment for employees to develop their potential.



## Total Investment in Production Safety in 2020

RMB **22.31** Million



## Occupational Health Check<sup>3</sup>

Participation  
Rate **100%**

## Work-Related Fatalities Rate

**0 ‰**



## Occupational Safety and Health Training

**524,033** man-hours

**266,565** person-times

Talent Management | Employee Care | Labour Risk Control  
| Employee Composition | Occupational Health and Safety

3: Participation Rate of Occupational Health Examination = Number of participants in occupational health examination / Total number of participants who need to undergo occupational health examination \* 100%

## Talent Management

To realise development of both employees and the Group, we attract outstanding talents, provide diversified training opportunities, continuously improve the career development channels striving to build a diversified growth platform for employees.

### Talent Acquisition

The Group values talent and importance of the right recruitment and holding reserves and is committed to building a dynamic and competent team. At the end of each year, the Human Resources Centre formulates the recruitment plan of the Group for the next year based on the labour demand proposed by each department. This is implemented upon the approval of the General Manager. Adhering to the employment principle of “legitimacy, fairness, impartiality and suitability”, we recruit talents through various channels such as campus recruitment, internal recruitment, and headhunting consultancies, and strictly abide by the provisions of the “Labour Contract Law of the PRC” to ensure equal pay for equal work for all employees.

### Employees Training

The Group has established the Sunwoda University, which is responsible for organising training activities based on a series of internal training systems, including the “Regulations on Training Management”, the overall development strategy of the Group and human resources strategy. Sunwoda University promotes and organises various activities, including onboarding training, certified qualification training, capability improvement training, etc., to ensure that employees can obtain training opportunities at each working stage.



#### Key Management Training Programs

- High-potential Talent Cultivation for Middle and Senior Management--Executive Elite Program: This program started from 2018 and ended in 2020. It focused on nurturing executives at the deputy general managers and above management, and a total of 43 employees graduated smoothly.
- Training for Team Leaders at Grass-roots Level: The training program of “the last kilometer of management” was carried out simultaneously in location, with over 700 participants.

#### Professional Training Programs

Six Sigma Program: During the year, nearly 1,000 engineers participated in the program. It is worth noting that some of the outstanding trainees who participated in the training in previous years successfully transformed into the trainers. In addition, we also carry out personalised “Six Sigma” training according to the actual needs of the Group. In 2020, we recorded a total of 531 yellow belt and 126 green belt students.



#### 2020 Fresh Graduates Training Program

Star Program: The program focuses on nurturing fresh graduates. We will export reserved talents to the Group, through a 12-month training plan. In 2020, a total of 369 fresh graduates finished the program and 230 were recruited. Newly recruited graduates have completed the first and second stages of training, and undergoing the third stage of training.



The Group has established an internal lecturer mechanism to build an internal lecturer team by designated or internal selection methods to promote internal knowledge sharing and the internal talent circulation mechanism. We specify lecturers' qualification and lecturers' responsibilities at different levels (primary lecturers, intermediate lecturers, senior lecturers, senior lecturers, and chief lecturers), including course research, course implementation, course summary, etc., in the Internal "Lecturer Management Regulations". In addition, we organize employees to conduct satisfaction surveys on the teaching quality of the lecturers, which will affect the classification of the lecturers and their remuneration.

Continuing to explore and apply online training tools, we have set up our own online training platform to develop courses according to the Group's own training needs, in order to enable employees to obtain targeted training through flexible and convenient channels. We are gradually integrating the training programs for production line workers into the online training platform to improve accessibility and convenience of training and help them improve their professional capabilities. Responding to the government's call during the year, we carried out on-the-job training through this platform, with a total of 10,000 production line workers attending the training.

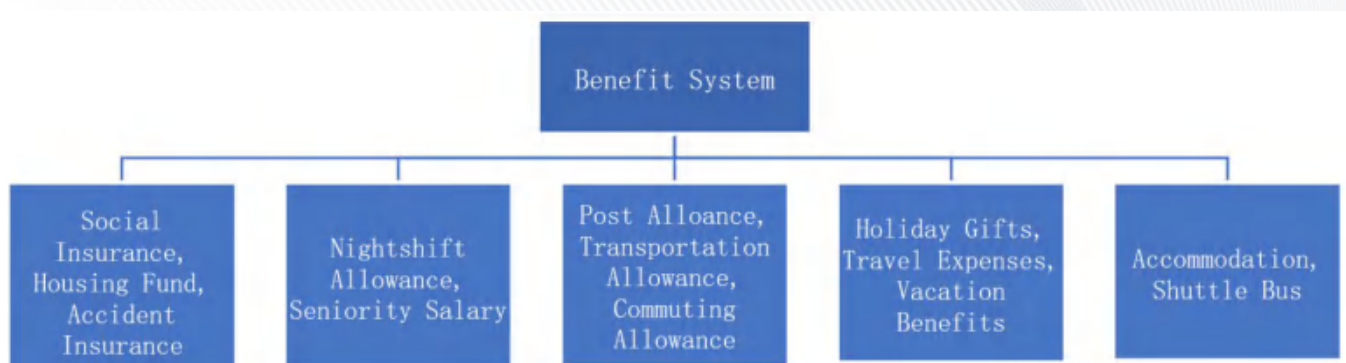
In the field of skilled talent, we actively respond to the call for the reform of national vocational education, further promote and deepen the integration of industry and education, cooperation between schools and enterprises, and give full play to the important role of enterprises in the training of technical and skilled talents and the development of human resources. We, with Shenzhen No.1 Vocational and Technical School to carry out the pilot "Modern Apprentice system" skills training project from Ministry of Education. In 2020, 15 impoverished students in the first phase of the project have now completed their skills theory courses and are in the on-the-job internship stage, forming a virtuous cycle of "one person getting vocational education, one person getting employment, and one family getting out of poverty."

## Career Development

To help employees set clear career goals, the Group has established a dual-channel promotion system for management personnel and professional technicians. Employees can choose their development channels according to personal career planning and the actual needs of the Group. We also continue to improve the employee career development system and established a qualification management system in 2020 to clarify the qualifications needed for different positions, including production line leaders<sup>4</sup> and team leaders. We will commence the practice of qualification certification in 2021.

## Employee Rights and Interests

The Group respects the fundamental rights of each employee and guarantees that all employees are free from discrimination, have the freedom of association and collective bargaining right, and reasonable working hours and leave, etc. We prohibit all forms of discrimination and employees are not discriminated against at the entry, promotion, receiving salary and welfare stages because of race, age, gender, religion, etc. We also respect employees' rights such as freedom of employment, freedom of resignation, and freedom of leave, and strictly prohibit any form of forced labour. Employees also enjoy the freedom of association and collective bargaining right, and the Group does not intervene in independent operation and management of labour unions in any form to ensure that employees can communicate with the management of the Group without threats or harassment.



<sup>4</sup>:The person in charge of a production line



# Responsibility for Employee

To attract talents and standardise the management of remuneration and benefits, the Group has formulated a comprehensive remuneration management system to ensure that the remuneration and benefits of employees are complied with the laws and regulations, and further improved according to SA8000, the RBA Code of Conduct, and the customers social responsibility. The remuneration system of the Group includes four components: fixed salary, floating salary (such as performance bonus, commission, overtime pay, bonus, etc.), long-term incentives (such as equity, options, dividends, etc.), and other benefits. To identify high-potential talents and motivate existing employees, we regularly conduct personal quality and performance reviews and adjust salaries for outstanding employees. We have also launched the Employee Stock Ownership Plan. As of the end of 2020, 1,681 employees participated in the restricted equity incentive plan, and a total of 45.00 million ordinary shares were issued to incentive recipients. In addition, we continuously improve the Group's benefit system and attach great importance to improvement of benefits for production line workers, such as providing bonus based on seniority and reimbursing their travel expenses for Spring Festival in 2020.

## Employee Care

We value the relationship between employee and the Group and are committed to caring for employees about work and life, creating a safe, healthy, harmonious, and happy working environment, and enhancing their job satisfaction.

## Employee Communication

The Group has established a sound internal communication system and conduct democratic management through a variety of ways, by various internal communication channels, to the lower level, the company expresses the values, development direction, cooperation goals and performance goals, to the upper level, the management could fully understand the ideas and the needs of the employees. At present, we have carried out democratic management work including staff representative seminars, meetings with trade union officials, member representative meetings, staff representative seminars, staff representative meetings and collective bargaining. We hope to further incorporate opinions of employees into the daily operations of the Group by listening to their voices and strengthening their participation in corporate management.

### Policy advocacy:

#### Online communication



- Internal Website
- OA BBS forum
- CEO's Mailbox

#### Offline communication



- Annual Management Meeting
- Monthly Marketing Meetings
- Production and Operation Meetings
- Management Weekly Meetings



- Staff Symposium
- Staff Day



- Bulletin Board



- Suggestion Box



# Responsibility for Employee

## Employee feedback:

### Online communication



- Chairman's Email
- ER Email (ER@sunwoda.com)



- Employee Relations and Trade Union Complaints Telephone
- 51880 Hotline
- Employee Care Hotline

### Offline Communication



- Probation Interview
- Performance Interview
- One-on-one Interview
- Employee Interview



- Employee Seminars
- Employee Reception Day



- Employee Engagement Survey



- Chairman Mailbox
- Labour Union Mailbox
- CEO Mailbox
- Human Resources Suggestion Mailbox

## Employees' Major Communication Channels

Employee engagement survey is one of the most effective channels for us to understand employee performance. We focus on the quality of employees' work, the importance of the work, team atmosphere and other dimensions to consider employee engagement. After analysis, the average value of employee engagement in 2020 is 3.94 points (out of 5 points). According to data from a third-party human resource management agency, the Group's professional engagement is at an upper-middle level in the entire domestic industry. In order to increase employee engagement, we have adopted a series of improvement measures, including improving career development channels, clarifying job responsibilities and goals, etc.

In addition, in 2020, we also extensively collected employees' opinions on the Group's public areas and accommodation conditions, and improved and upgraded the corresponding places and facilities based on the survey results, such as adjusting the dishes of the canteen according to employees' preference, optimizing the road surface and facilities of the living area of Shilongzai Park, etc.

# Responsibility for Employee

## Caring for Employees

The Group is committed to providing employees with precise, refined, people-oriented, and diversified caring activities, such as cultural arts festival, women's day activities for staff care, Dragon Boat Festival tug-of-war for teamwork, fun games, passionate men's basketball tournament, talent competition to showcase personal style, etc., which enriched the spare time of our staff, cultivated and constructed the common values of all staff, and improved their cohesion. In the first half of 2020, due to the impact of the COVID-19, we flexibly adopted online activities for our employees, such as organising online health running activities and "Second-generation of Sunwoda" online summer camp. At the same time, Sunwoda supports employees to build their own associations, providing annual funding and guidance support, to encourage employees to build up interests after work, so that they could rest assured of work and life.

In order to care for our general employees, we have launched a special employee care campaign called "Spring Rain Action" to send warmth to our employees in areas such as food, clothing, accommodation, welfare, learning and development, and physical and mental health through "100 Small Things to Care for You". Up to now, there are more than 200 members of the Employee Care Group, spread across all subsidiaries, and 89 of the "100 Little Things to Care for You" have been completed, with a total of 40,000 person-times, who have been taking cared for.. We also provide free health checkups and other screening programmes for our employees. In 2020, we provided 1,200 employees with free health checkups, "two cancers" screening, free pre-pregnancy checkups and other health screening programmes.

Culture and Art Festival



Cultural Activities



Staff Association



Parent-child Activities



Spring Rain Action



# Responsibility for Employee

As the main force for serving employees, labour union of the Group has actively established the employee service platform to build warm and comfortable activity yards. The maximum area of a yard is 5050 m<sup>2</sup>, including library, stage, gym, chessboard room, to provide comprehensive entertainment service to the staff, and help them relax, exercise, build up the body and develop their hobbies.



The Group also takes the responsibility of helping impoverished staff. In 2020, the Group mainly provided assistance to employees through holiday greetings, funeral condolences, living assistance, medical assistance, etc., serving more than 600 people.



**2020 Send Warmth to Employees in Need in Spring Festival**



# Responsibility for Employee

The company encourages employees to participate in external evaluation activities. In the 2019 " Baoan craftsmen" selection, through the active organisation and extensive mobilisation of trade unions, two employees were awarded the honor of Baoan craftsmen. This kind of activity triggers the craftsman spirit that the staff should deeply study, inherit and develop.



## Labour Risk Control

The Group has formulated the "Regulations on Labour and Ethical Risks Assessment Management", which contains the requirements for labour and employment risk identification. A comprehensive risk identification exercise is conducted annually to ensure all potential risks are identified and controlled. The Group has also set up a personnel inspection team to conduct regular audits of various departments, covering recruitment compliance and other aspects.

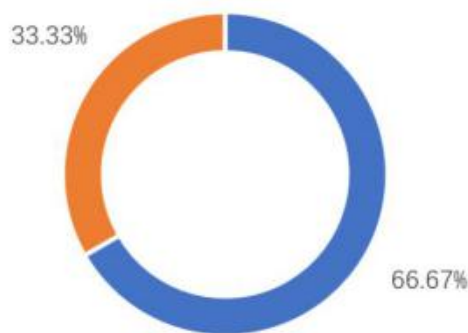
Child labour is one of the major risks that cannot be ignored in human resources management. We strictly prohibit employment of child labour in any form and prohibit personnel of the Group from introducing child labour to other units or the Group. The Human Resource Centre educates employees and job applicants on the prohibition of child labour. If there is any instance of employment of child labour, we immediately terminate the contract, provide them with free medical examinations, and provide free medical services depending on the situation. We contact their families or guardians in a timely manner to help them complete the compulsory education. To avoid similar incidents in the future, we analyse such incidents, identify loopholes in the recruitment process, and take preventive measures.



## Employee Composition

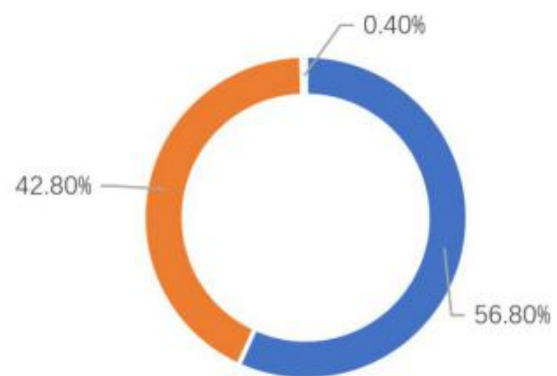
As of the end of 2020, the Group had a total of 27,500 employees, all of whom have signed labor contracts. To strengthen the employment stability of production line workers, we focused on their benefits and the improvement of career development channels in 2020. For details of the improvement measures, please refer to the section headed "Talent Management".

Gender Distribution



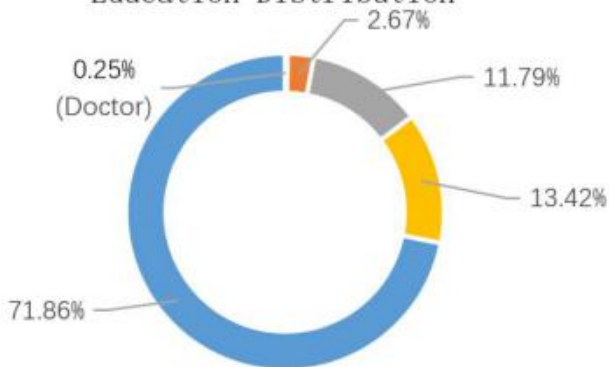
■ Male ■ Female

Age Distribution



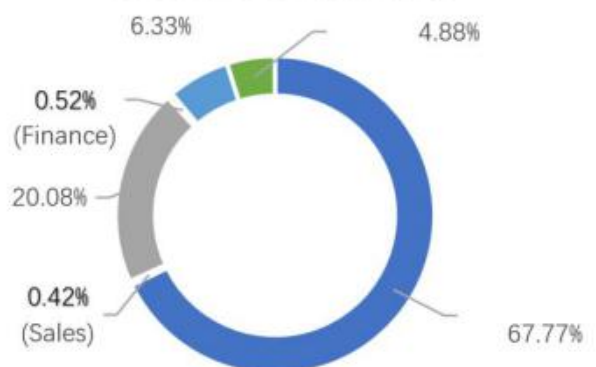
■ <30 ■ 30-50 ■ >50

Education Distribution



■ Doctor Degree ■ Master Degree  
 ■ Bachelor Degree ■ College Degree  
 ■ Below College Degree

Function Distribution



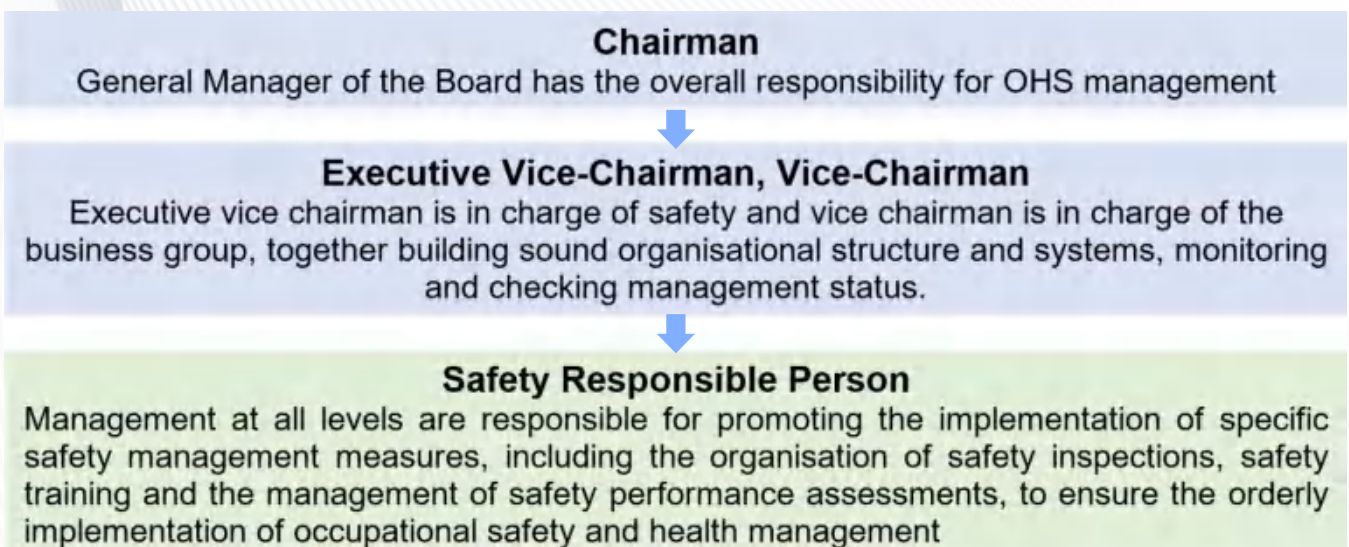
■ Production ■ Sales ■ Technician  
 ■ Finance ■ Administration ■ Management

## Occupational Health and Safety

The Group has established a comprehensive occupational health and safety management structure and internal policies, including the “Comprehensive Safety Management Policy” and the “Implementation Rules for Safety Inspection”. Through risk identification, risk analysis, and risk control of OHS factors in the workplace, we have effectively control the risk in the workplace to provide a healthy and safe working environment for our employees.

### Occupational Health and Safety Management System

Sunwoda has established the Safety Production Management Committee (the “Committee”) led by the General Manager, with a senior manager in-charge of operation and safety designated as its Vice Chairmen, other members of the committee being representatives from various departments. The Committee is responsible for management of the OHS management system, safety in the production workshop, fire prevention, occupational hygiene and health etc. Each subsidiary has its own OHS management structure or dedicated team based on its own actual situation.



### Structure of Safety Production Management Committee

We strictly comply with relevant laws related to OHS, and have established, implemented, maintained, and continuously improved the OHS management system in accordance with the requirements of ISO45001: 2018. Up to now, Sunwoda and 10 of its subsidiaries have acquired the Safety Management System Certification ISO45001, and Sunwoda and 4 of its subsidiaries have obtained the second-level or third-level Safety Production Standardisation Certification.

### Objectives and Plans

The Group has set OHS targets and the corresponding plans to achieve the targets, and achieved all targets in 2020. During the year, there were no general production accidents<sup>5</sup> or serious accidents and no work-related fatalities occurred in the company within the OHS data disclosure boundary. For each work-related accident, we investigate the incident in accordance with the principle of "Four No Let Go"<sup>6</sup>, review the cause of the accident, formulate and implement measures to improve the incident, etc. To strengthen the OHS management, we regularly carry out occupational hazards identification, and implement improvement measures according to the identification results. To date, all Group companies involved in occupational hazards have completed the occupational hazards assessment.

<sup>5</sup>: General production accidents refer to accidents that cause less than 3 deaths, or serious injuries of less than 10 people, or direct economic losses less than RMB10 million.

<sup>6</sup>: "Four No Let Go" is referred to do not let go of incidents where the cause of the accident has not been investigated clearly, do not let go of personnel responsible for poor handling of the accident, do not let go of rectification measures that have not been implemented, and do not let go of relevant personnel who have not been trained.



Objectives	Assessment Frequency	Plan to Achieve Objectives
<b>Safety Accidents</b> <ul style="list-style-type: none"> <li>• No accident with direct economic loss between 200 thousand and 500 thousand</li> <li>• Not more than one accident with direct economic loss between 20,000 and 200 thousand</li> <li>• Objective: not more than 1</li> <li>• Not more than one accident with direct economic loss below 20,000</li> </ul>	Quarterly  Quarterly  Monthly	<ul style="list-style-type: none"> <li>• Regular safety drills</li> <li>• Establishment of dual prevention mechanisms</li> <li>• Safety check and hidden hazard management</li> <li>• Emergency response procedures and processes</li> <li>• Safety training</li> <li>• Key posts safety management</li> <li>• Environmental safety and health change management</li> </ul>
Monthly Injury Rate $\leq 2\text{‰}$ <sup>7</sup>	Monthly	<ul style="list-style-type: none"> <li>• Improve production process and reduce safety risks</li> <li>• Analyse safety hidden dangers and carry out risk control</li> <li>• Three-level safety training</li> </ul>
Zero Occupational Hazardous Accident	Annually	<ul style="list-style-type: none"> <li>• Implement regular occupational health examination</li> <li>• Formulate occupational hygiene measures</li> <li>• Test the working environment</li> <li>• Conduct occupational health protection training</li> </ul>
Occupational health check participation rate 100%	Quarterly	<ul style="list-style-type: none"> <li>• Regularly inspect occupational hazards</li> <li>• Strengthen safety management of employees at positions prone to occupational hazards</li> <li>• Conduct occupational safety protection training, etc.</li> </ul>

## Occupational Health and Safety Training

In order to raise the safety awareness of all employees and their ability to cope with accidents, we provide diversified safety training in an orderly manner, including New Workers Safety Education, safety training for dangerous posts, and safety training for special operations personnel. We conduct various activities, such as safety drills, safety knowledge competitions, safety videos, etc. to educate employees on safety knowledge. During the year, the number of employees who participated in OHS training reached 266,565 person-times with a total of 524,033 training man-hours.<sup>8</sup>



7: Monthly Injury Rate = (Number of Injuries in the Month/Total Number of Employees) \*1000‰

8: Calculation of training hours: If a safety training session has 100 participants, the total training hours will be 200 hours if the training hours are 2 hours. Total training hours are the sum of training hours for all safety training sessions in 2020.

# 09

## Responsibility for Environment

Adhering to the environmental policy of “regulations compliance, pollution prevention, people-orientation, safe operation, energy efficiency, consumption reduction, and continuous improvement,” the Group attaches great importance to harmonious industrial operations and natural environment, and implements a low-carbon and green operations model.



### Total Expenditure in Environmental Protection in 2020

RMB **51.92** Million



**97.13%**  
Industrial Waste  
Recycled

**100%**

Hazardous Waste  
Transferred

Environmental Management | Emissions Management | Resources Management |  
Clean Technology Opportunities



# Responsibility for Environment

## Environmental Management

The Group strictly complies with relevant environmental laws and regulations and has established a sound environmental management system and policies, striving to achieve energy conservation and emission reduction targets, and to minimise the impact on the environment. To ensure compliant operations and sound environmental management of the Group, the Safety Production Management Committee, chaired by the General Manager, oversees the environmental management and performance, and is responsible for implementation of specific environmental management measures, including the establishment of the company's environmental management ledger, regular identification and evaluation of environmental factors applicable to the company, strict control of the discharge of various types of environmental pollution to meet the standards, strict implementation of the environmental protection "three simultaneous" system, green procurement and other work, and the holding of quarterly meetings to summarise environmental management. Each subsidiary establishes a dedicated environmental management team based on its own situation.

The Group strictly complies with requirements of ISO14001 Environmental Management System, and implements procedures such as environmental factor identification, regular review, training, and environmental forecast in accordance with the "Environmental Safety Manual", "Environmental Protection Manual" and other internal policies. In addition, we set environmental targets and regularly review the achievement of targets. During the year, the Group fully achieved all environmental targets. As of the end of 2020, Sunwoda and its 11 subsidiaries have obtained the ISO14001 Environmental Management System Certification. Besides, Sunwoda completed the clean production review in 2020, and has obtained the Green Factory Certification, which covers all production plants of Sunwoda in Shenzhen.

### Environmental Targets:

**0** Environmental Accident

**100%** Compliance in Three-Wates and Noise Pollution

**100%** Hazardous Waste Transferred

Environmental Factor Identification	<ul style="list-style-type: none"> <li>Identify the actual and potential environmental impacts of the product throughout the life cycle</li> <li>Incorporate the material environmental factors into approaches, objectives, and management plans</li> <li>Strictly follow relevant standards when evaluating and analysing the impact of site selection on the surrounding environment</li> </ul>
Environmental Protection	<ul style="list-style-type: none"> <li>Engage third-party organisations for comprehensive monitoring</li> <li>Review the environmental safety management system at the end of each year and regularly review its effectiveness</li> <li>Irregularly inspect environmental management at department level and company level</li> </ul>
Environmental Forecast	<ul style="list-style-type: none"> <li>Formulate the "Regulations on the Management and Prevention of Environmental Pollution", requiring all subsidiaries to carry out environmental emergencies risk assessment, inspect emergency resource backup, and formulate contingency plans</li> <li>Carry out emergency drills by the Safety Centre, and analyse the problems during the drill and improve the contingency plan</li> </ul>
Investment in environmental protection	<ul style="list-style-type: none"> <li>Strengthen the capability of environmental protection project personnel</li> <li>Strengthen environmental protection promotion and training</li> <li>Regularly maintain equipment and wastewater stations' facilities</li> <li>Plan to develop a smart park to intelligently manage energy consumption and waste discharge in the park</li> </ul>



### Energy Management

The Group has formulated and implemented the “Regulations on Energy Management” to actively construct an effective energy management system. We have set up an Energy Conservation Committee led by the General Manager of the Board and the Administration Department is responsible for implementation of energy conservation work. The Energy Conservation Committee is responsible for supervising the progress of energy-saving measures and promoting energy-saving ideas and energy-saving technologies, etc. Currently, Sunwoda has completed the ISO50001 Energy Management System Certification.

The Group's energy consumption mainly involves the use of electricity, natural gas and diesel. During the year, the Group consumed a total of 1,333,904.11 GJ of energy. All companies within the reporting boundary of environmental data disclosure have achieved the target of a 10% reduction in energy consumption per ten thousand output value compared with 2019.

### Greenhouse Gas Emissions

The international community is increasingly concerned about climate change. As a responsible enterprise, the Group regularly reviews the impact of its operations on climate change and engages with third-party organisations to conduct greenhouse gas emissions inspection and monitor energy conservation.

During the year, the Group's total greenhouse gas emissions amounted to 275,888.12 tons of carbon dioxide equivalent, among which natural gas, diesel (stationary), and petrol used by vehicles are the main sources of scope 1 direct greenhouse gas emissions, totalling 7,425.77 tons of carbon dioxide equivalent. The remaining 268,462.34 tons of carbon dioxide equivalent are scope 2 greenhouse gas emissions, accounting for 97% of the total emissions, which is attributable to the use of electricity as the main source of energy. In the future, we will strive to reduce greenhouse gas emissions and the impact on climate change by improving energy efficiency.



#### Energy Efficiency Improvement Case: Coating Machine Heat Recycling

The coating film is heated and dried by the coating machine. Huizhou LIWINON New Energy Technology Co., Ltd., a subsidiary of the Group, upgraded and transformed the coating machines. It converts the discharged hot air into thermal energy and redirects to the air intake for reuse, which greatly reduced electric heating and reduced the power consumption by 47%-57%

### Energy Conservation and Emission Reduction

In order to effectively implement energy conservation and emissions reduction measures, the Group has commenced the relevant work in three aspects, namely, managerial system, equipment, and human resources. It is expected that the cost saving will be over 4.85 million in 2020. The Group has started monthly inspection to strictly monitor the progress of energy-saving work in each location and provide guidance and support to locations with slower progress. In addition, we require each business unit to establish an energy management team to carry out scientific and effective energy management work.

We are committed to improve energy efficiency at each facility. When planning and designing workshops and procuring equipment, we fully consider the energy-saving potential and equipment energy efficiency and give priority to equipment with low energy consumption. We have replaced all fuel forklifts with electric forklifts during the year. When operating the equipment, we monitor and analyse the energy consumption data to identify room for improvement in energy efficiency. In 2020, we planned a total of 31 technical renovation projects and actually completed 42 renovation projects.

In order to encourage employees to save energy, the Group has formulated a reward system, which links the remuneration and performance of relevant responsible personnel with energy-saving results. In addition, we actively organise activities to promote energy-saving knowledge, including energy-saving promotion week, energy-saving competition, and quizzes, etc. During the year, approximately 160,000 people participated in the energy-saving activities.



# Responsibility for Environment

## Water Consumption

During the year, the Group consumed a total of 1,501,840 tons of water. We understand the precious nature of water resources and promote water recycling by reclaiming water in production processes and encouraging employees to save water in daily office work.

## Opportunities for Clean Technology

The Group actively responds to the national call, continuously promotes the development of green and low-carbon industries, and vigorously advances the use of clean technologies. With lithium-ion battery as the core, our business covers areas such as the upstream power battery cell manufacturing, the downstream energy storage power stations, and battery recycling etc., forming a blueprint for integration of the whole industry chain.

### Energy Storage



- We have launched an outdoor energy storage cabinet with long life expectancy, high reliability, high power density, and high energy density, which is suitable for various scenarios such as new energy power stations, distribution platforms, and industrial and commercial sectors.

### Clean Energy



- Independently developed and designed Yuzhou Yuke 50MW photovoltaic power station
- Constructed solar photovoltaic power generation and intelligent micro-grid with annual power generation of approximately 346,500 kWh for Guangming Industrial Park
- The roof of Boluo Industrial Park uses 12MW distributed photovoltaic power generation. For phase I, 6MW has been officially connected to the grid, with an annual power generation of approximately 6,500,000 kWh. Phase II will be connected to the grid in January 2021, with an annual power generation of approximately 5,000,000 kWh
- Use solar instead of electricity streetlights
- Since 2016, we have been working with a renowned high-tech company. to use 100% of clean energy to produce their products

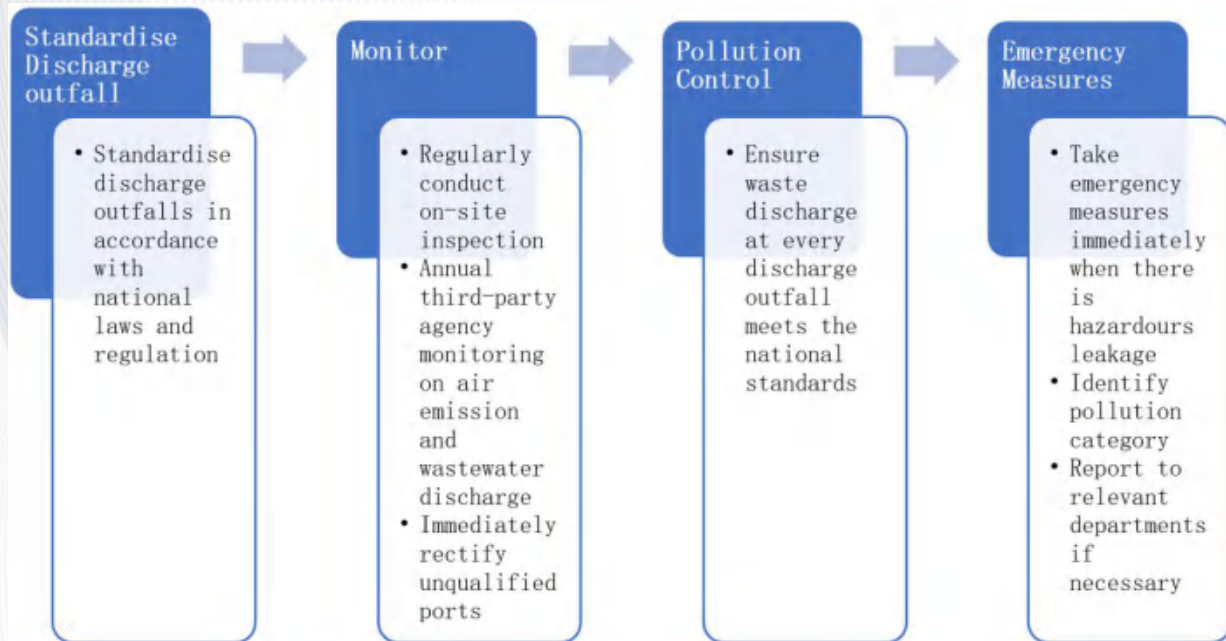
## Emissions Management

To manage emissions from operations in a scientific and effective manner, the Group has formulated and implemented a number of regulations, including the "Implementation Rules for the Control of Air Emissions, Wastewater, and Rainwater Pipes" and the "Regulations on the Control of Environmental Pollution" to regulate emission management including three-wastes<sup>9</sup> and strives to reduce pollutant emissions with strict compliance.

<sup>9</sup>: Three-wastes are air emissions, wastewater, and solid wastes

## Air emissions and Wastewater Management<sup>10</sup>

Air emissions generated by the Group mainly come from production, canteen, power generator, and vehicles. The wastewater discharged mainly comes from domestic sewage, and production wastewater. In 2020, the Group generated 9.96 tons of NO<sub>x</sub>, 1.15 tons of SO<sub>x</sub>, 4.36 tons of PM, 2.61 tons of non-methane hydrocarbon, and 0.79 tons of other air pollutants<sup>11</sup> and discharged a total of 808,252 tons of wastewater. The Group strictly controls air emissions and wastewater discharge through the following processes.



In order to reduce the impact of the discharged wastewater on the environment, we set up wastewater stations for wastewater treatment in parks with industrial wastewater generation, and the treated wastewater is 100% reused through our self-built water reuse system to achieve zero discharge of industrial wastewater. In addition, we greatly reduce the production of waste water and waste liquid by recycling the cooling water for injection moulding and recycling the cooling water for waste liquid recycling system. Each plant implements rainwater and sewage diversion and has obtained the pollutant discharge permit.

## Waste Management

The Group actively explores various ways of resource recycling and ensures orderly and effective recycling of general waste through a series of management measures such as improving relevant policies and the operations site.

General Waste Produced in 2020  
**17,514.85** tons,  
**73%** of which have been recycled



### Improve Management Policy

- Improve the general waste recycling process in accordance with laws and regulations, industry standards, and the actual situation of the Company



### Establish Responsibility Extension System

- Emphasise the disposal responsibility of waste producer
- Require suppliers to recollect the original materials such as packaging materials and pallets



### Strengthen Classification

- Establish a classification system from production to processing to improve recycling rate



### Recycling Promotion

- Online promotion of recycling management
- Offline training on handling process for employees of workshop

## General Waste Recycling Control Measures

<sup>10</sup>: The data on exhaust air pollutants, wastewater pollutants and wastewater emissions in this sub-section cover the subsidiaries located in Mainland China within the scope of the environmental data.

<sup>11</sup>: Other exhaust pollutants include VOCs, benzene, fluoride, hydrogen chloride, tin and its compounds, ammonia, etc.



# Responsibility for Environment

Our operations involve generation of hazardous waste. To control and eliminate potential accidents caused by hazardous waste, we strictly comply with the “National List of Hazardous Waste” when classifying and managing waste and hazardous waste is handled by qualified third parties. The reduction of hazardous waste is also carried out through the introduction of environmentally friendly materials, such as the introduction of environmentally friendly cutting fluid recycling and waste fluid recovery systems. We also require the relevant departments and personnel involved in hazardous waste to clearly record the situation and responsible persons of the production and disposal of hazardous waste, and to make the record of the waste, so that we can track the causes of the problem in time if necessary. During the year, the Group generated a total of approximately 263.72 tons of hazardous waste, mainly waste rag gloves, waste organic solvents, and waste pulp, etc.

Since 2019, Sunwoda has successfully obtained the UL2799<sup>12</sup> Waste Zero-Landfill Platinum Certification, and is committed to reducing waste during operations, achieving 100% waste conversion rate (including 7% incineration heat recovery) and achieving the goal of “zero-landfill”.

## Green Office

The Group actively promotes and practices green office culture. We save water, electricity and office supplies. We strive to reduce carbon emission by creating a green office atmosphere and raising employees' awareness of energy conservation.



### Saving Electricity

- Reduce heat source in cooling areas
- Select computers that meet the Energy Star requirements
- Cut off the power switch when it's not in use
- Share printers in the same area to reduce idle equipment
- Regular maintenance of equipment



### Water Conservation

- Regular check on water taps, water pipes, and toilets to avoid water leakage
- Inspect water taps before leaving work
- Recycling of air-conditioning condensate for indoor plant watering



### Saving Office Supplies

- Set up recycling bins for paper and encourage the use of recycled paper
- Implement electronic office
- Reduce benzene-containing solvent products such as glue

12: UL2799 standard is a standard for waste conversion plan and calculation method. Enterprises are required to conduct compliance management, inspection, and reduce waste landfill and incineration treatment by reducing consumption, recycling, reuse, conversion, etc.

# 10

## Responsibility to Community

The Group actively participates in various social welfare activities, responds to the national call for targeted poverty alleviation, and fulfills its corporate social responsibility.



### Donation in 2020

RMB **15.06** Million

### Volunteer Hours

**772** hours

Fight against COVID-19 | Public Welfare Activities | Targeted Poverty Alleviation



# Responsibility to Community

## Fight against COVID-19



In 2020, the COVID-19 outbreak created a huge impact on the economy and healthcare system of the whole society. As a socially responsible enterprise, the Group actively responded to the national call and promptly initiated measures to support pandemic prevention. The Group provided donations to severely affected areas and people in need. In the early stages of the outbreak, we donated 10 million through Shenzhen Red Cross to Wuhan and other areas with severe pandemic, and successively raised special funds for pandemic prevention through channels such as the Sunwoda Party Committee and Sunwoda Charity Foundation. We also donated more than 30 thousand masks to schools in poorer regions, children's welfare organisations, and other institutions. Our subsidiary in India ( "Sunwoda India" ) donated INR2 million (approximately 200 thousand) to the Chief Minister's Distress Relief Fund, and organised voluntary donations from employees, raising a total of INR1 million (approximately 100 thousand), all of which were donated to the National Relief Fund of India to support the Indian people.



Internally, we quickly established the Pandemic Prevention and Control Headquarters, continued to implement pandemic prevention measures and formulated the "Pandemic Disease Management System" and the "Pandemic Prevention Promotion and Training Policy" and other policies to integrate pandemic prevention into our daily management. Also we sent protective masks and disinfection supplies to 1550 employees in Hubei at the first opportunity after the resumption of work, and arranged buses, chartered flights in batches to pick up employees back to the company in some provinces. Our pandemic prevention work has been highly recognised by the central and local governments. To date, we have maintained zero diagnosis and zero infection.

In the early stages of the outbreak, the Group's IT team promptly developed an intelligent software for pandemic information classification and identification, through which information of employees distributed across the country was collected and potential pandemic risks were timely identified. In addition, we have formulated a sound emergency response mechanism for the pandemic, and set up quarantine rooms and isolation vehicles to be fully prepared for potential needs. Pandemic prevention training is also an important part of the fight against the pandemic. We cover all employees with special training on pandemic prevention, and prevention training of each department is included in the monthly review for safety performance. The Sunwoda labour union also launched a free haircut activity, and organized volunteers to provide free haircut for the Group's employees, serving a total of 1,270 employees.

# Responsibility to Community

## Public Welfare Activities

The Group established the Shenzhen Sunwoda Charity Foundation in 2012. Adhering to the principle of "taking small actions, promoting charity spirit, enhancing public awareness, and creating a harmonious society", the Foundation actively participates in public welfare activities such as disaster relief, poverty alleviation, education, and culture and environmental protection. We have also formulated the "Constitution of Shenzhen Sunwoda Charity Foundation", the "Management Measures of Sunwoda Charity Donation", etc. to provide guidance for our public welfare activities. In 2020, the Group's unaudited public welfare expenditure was over 2.35million.



### Caring Special Groups

Since 2017, the Sunwoda Charity Foundation has sponsored the "Sunnydoll" public welfare project and has carried out public welfare hiking activities for two consecutive years. We have donated a total of 500 thousand to send warmth and happiness to children with blood disorders. It has also set up the Sunshine Guardian Project to provide assistance to people who have suffered from major illnesses and accidents that have caused family difficulties.



### Supporting Science and Education

The Group focuses on rural education and supports development of the university. We set up scholarships in universities to support students with excellent academic performance. We also sponsored the construction of the Shenzhen Gaozhenche revolutionary education base, supported the development of communist education and communist spirit. At the same time, we have also set up a reward in rural primary schools to help improve the teaching quality, and provide assistance for rural schools to cultivate talents.

Led by the company's executives, Sinwoda set up a volunteer team, actively encourages staff to participate in nursing home to care for the elderly, community traffic civilisation guidance and other activities, carrying forward the spirit of volunteers "dedication, fraternity, mutual assistance", building a harmonious community, civilized home.





## Targeted Poverty Alleviation

We aim to achieve the targeted poverty alleviation target by 2020. The Group actively responds to the national call for targeted poverty alleviation, assists in targeted poverty alleviation, and contributes to building a Well-off Society. Based on our planning and actual situation, the Group mainly supports poverty alleviation and rural revitalisation from employment, industrial support, education, and consumption, and fulfills its corporate social responsibility.



### Poverty Alleviation through Employment

Since 2016, the Group has been recruiting employees from poverty ridden regions such as Huayuan County in Hunan Province, Dahua County in Guangxi Province, and Ganzi Prefecture in Sichuan Province to increase the employment rate. In 2020, the Group recruited 1,070 employees from Guangxi to promote local employment.



### Industrial Poverty Alleviation

The Group helps villagers in underprivileged villages in Du'an and Dahua counties in Guangxi to carry out industrial projects such as renovation of dangerous houses and subsidising the purchase of livestock to improve the living environment of underprivileged villagers, increase economic income and help underprivileged villagers to get out of poverty as soon as possible.



### Poverty Alleviation through Education

The Sunwoda Charity Foundation has set up the "Sun Future" student aid project. During the year, we organised charity activities to raise funds and Purchase supplies for children affected by poverty on the "International Children's Day". We also donated a total of 40 thousand to two schools in Baise, Guangxi, for the construction of teaching buildings, so as to create a better learning environment for local students and help the development of rural education.



### Poverty Alleviation through Consumption

In 2020, we procured a total of 41,500 pieces of poverty alleviation products from underprivileged places such as Tianlin County in Baise and Donglan County in Hechi, Guangxi, with a total amount of 2.51 million, effectively helping to solve the problem of stagnant sales of poverty alleviation products in underprivileged areas and driving local villagers out of poverty and into wealth.



### Public Welfare Poverty Alleviation

Over the years, we visited impoverished families and retired party members in villages such as Hemu Village and Tuguwei Village, Boluo County, Huizhou, sending care about their living environment



## 2020 Performance Data Summary

	Indicators	2020
Environment	<b>Resource Consumption</b>	
	Electricity (kWh)	333,825,344.00
	Natural gas (m <sup>3</sup> )	3,299,857.10
	Petrol (litres)	69,360.00
	Diesel (litres)	40,651.00
	Water (tonnes)	1,501,840.00
	<b>Greenhouse Gas (tCO<sub>2</sub>e)</b>	
	Total GHG emissions	275,888.12
	Direct emissions (Scope 1)	7,425.77
	Indirect emissions (Scope 2)	268,462.34
	<b>Air Emissions (tons)<sup>13</sup></b>	
	Non-methane hydrocarbon	2.61
	NO <sub>x</sub>	9.96
	SO <sub>x</sub>	1.15
	PM	4.36
	Others	0.79
	<b>Wastewater Pollutants (ton s)<sup>14</sup></b>	
	COD	32.45
	Ammonia nitrogen	3.12
	Suspended solids	12.25
	Total nitrogen	3.76
	Total phosphorus	0.18
	BOD <sub>5</sub>	6.29
	<b>Wastewater Discharge (tons)<sup>15</sup></b>	808,252.00
	<b>Hazardous Waste (tons)</b>	
	Waste rag gloves	80.81
	Waste organic solvent	51.20
	Waste pulp	28.09
	Surface treatment sludge	18.99
	Cleaning solution	16.13
	Organic engine oil	15.49
	Waste NMP cleaning fluid	12.08
	Active carbon	10.82
	Waste emulsion	7.63
	Waste empty containers	6.74
	Waste contaminants	6.34
	Waste filter	3.72
	Others	5.7
	<b>General waste (ton s)</b>	
	Industrial waste Produced	11,794.38
	Industrial waste Recycled	11,456.14
	Domestic waste Produced	5,720.47
	Domestic waste Recycled	1,415.40
	<b>Packaging Material Consumption<sup>16</sup></b>	
	Cartons (pieces)	5,010,300.00
	Graphic cartons (pieces)	11,776,704.00
	Tray (pieces)	28,573,831.00
	Blister box (pieces)	13,013,326.00
	Stretch film (rolls)	69,961.00

13: Data on exhaust air pollutants, wastewater pollutants and wastewater emissions cover the subsidiaries located in Mainland China within the scope of the environmental data

14: Other air emissions include VOCs, benzene, fluoride, hydrogen chloride, tin and its compounds, ammonia, etc.

15: Other hazardous wastes include waste emulsification residue, waste acid, waste ink, and wastewater from washing the net

16: We will explore ways to unify the unit of measurement of packaging material consumption for readers to compare



## 2020 Performance Data Summary

Tray (pieces)	28,573,831.00
Blister box (pieces)	13,013,326.00
Stretch film (rolls)	69,961.00
Carton sealing tape (rolls)	146,855.00
Wooden pallet (pieces)	98,467.00
Plywood (pieces)	43,445.00
PE bag (pieces)	34,210,949.00
Paper blade (pieces)	8,451,917.00
Partition (pieces)	7,127,693.00
Paper angle (pieces)	1,307,473.00
<b>Total</b>	<b>27,500</b>
<b>Gender Distribution</b>	
Male	18,334
Female	9,166
<b>Function Distribution</b>	
Production personnel	18,638
Sales personnel	115
Technical personnel	5,521
Finance personnel	144
Executive personnel	1,741
Management personnel	1,341
<b>Education Distribution</b>	
Doctor degree	70
Master's degree	735
Bachelor's degree	3,242
College degree	4,491
Below college degree	18,962
<b>Age distribution</b>	
< 30	15,620
30-50	11,769
> 50	111
<b>Gender Distribution of Management</b>	
Male management	959
Female management	246
Ratio of female management	20.41%
<b>Contract signing</b>	
Employees signing labour contracts	27,500
Labor contract signing rate	100.00%
<b>Occupational Safety and Health Performance</b>	
Work-related injury accidents <sup>17</sup>	0
Number of work-related injuries	44
Number of work-related fatalities	0
Rate of work-related fatalities	0.00 %
<b>Suppliers-Regional Distribution <sup>18</sup></b>	
Mainland China	1,969
Other regions	131
<b>Total</b>	<b>2,100</b>
Charity donation (RMB 0'000)	1,212.10
Volunteer working hours (hours)	772

<sup>17</sup>:Refers to general accidents, major accidents, severe accidents, and extremely severe accidents

<sup>18</sup>:Supplier data covers only the Group's major material suppliers

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## Feedback

### 1. What kind of stakeholders you belong to?

Employees	Customers	Suppliers Partners	and Shareholders or Investors
Government or regulatory authorities	Peers	Community Residents	Media Institutions
NGOs	Scientific Research Institutions	Banks	Others (please specify): —

### 2. Do you think this report has fully reflected the social responsibility performance of the Group in 2020?

Very	General	Part of	Full non-occurrence
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### 3. Do you think the information disclosed in this report is true?

Very true	General	Part Authenticity	Total untrue
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### 4. What do you think of the framework structure of this report?

Clear Framework	Framework General	The framework may	Framework Disorder
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### 5. Do you think this report is easy to read?

Strong readability	Easy reading General	Low readability	Difficulty to read
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### 6. Do you have any comments and suggestions on the Company's social responsibility work? Please fill out below if available.

Nil	Yes, —
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### 7. Please leave your name and contact details.

Name:	Contact (mobile phone number or email address):
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