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ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

About This Report

Report Description

This report is the third ESG report issued by Sunwoda Electronic Co., Ltd. (hereinafter referred to as "Sunwoda" or "Company") to all stakeholders. The text information and performance mentioned in this report are dated from January 1, 2022 to December 31, 2022. Some of the information might reflect the performance of past years or the policies and practices of the year 2023.

Scope and Boundary of Report

Unless otherwise specified, the disclosure scope of environmental data and occupation, safety, and health (OSH) data of employees covers manufacturing companies with an asset greater than RMB 5 million, including Sunwoda and its subsidiaries, totaling 25 companies. All text materials and other data cover the entire group.

The full names and abbreviations of subsidiaries covered are as follows:

Sunwoda Electronic India Private Limited ("Sunwoda India")

Huizhou Sunwoda New Energy Co., Ltd. ("Huizhou New Energy")

Sunwoda Electric Vehicle Battery Co., Ltd. ("Sunwoda EVB")

Huizhou Sunwoda New Power Energy Co., Ltd. ("New Power Energy")

Nanjing Sunwoda New Energy Co., Ltd. ("Nanjing Sunwoda")

Huizhou Sunwoda Intelligent Industry Co., Ltd. ("Huizhou Intelligent Industry")

Huizhou Winone Precision Technology Co., Ltd. ("Winone" for short, formerly known as Huizhou Sunwoda Precision Technology Co., Ltd.)

Dongguan Liwinon Energy Technology Co., Ltd. ("Dongguan Liwinon")

Sunwoda Energy Technology Co., Ltd. ("Energy Technology")

Shenzhen Sunwoda Intelligence Technology Co., Ltd. ("Sunwoda Intelligence Technology")

Shenzhen Sunwinon Electronics Co., Ltd. ("Shenzhen Sunwinon")

Huizhou Sunwinon Electronics Co., Ltd. ("Huizhou Sunwinon", formerly known as Huizhou Sunwoda Intelligent Hardware Co., Ltd.)

Shenzhen Sunwinon Intelligence Co., Ltd. ("Shenzhen Sunwinon Intelligence")

Zhejiang Sunwoda Electronics Co., Ltd. ("Zhejiang Sunwoda Electronics")

Zhejiang De.Power Technology Co., Ltd. ("Zhejiang De.Power")

Huizhou De.Power Technology Co., Ltd. ("Huizhou De.Power")

Huizhou Liwinon New Energy Technology Co., Ltd. ("Huizhou Liwinon New Energy")

Huizhou Liwinon Electronic Technology Co., Ltd. ("Huizhou Liwinon Electronic")

Zhejiang Liwinon Energy Technology Co., Ltd. ("Zhejiang Liwinon")

Winone Precision Technology India Private Limited ("Winone India")

Huizhou Sunwoda Energy Technology Co., Ltd. ("Huizhou Energy Technology")

Zhejiang Liwinon Electronic Technology Co., Ltd. ("Zhejiang Liwinon Electronic")

Nanchang Sunwoda New Energy Co., Ltd. ("Nanchang Sunwoda")

Shenzhen Sunwinon Zhiwang Technology Co., Ltd. ("Sunwinon Zhiwang")

Report Data Description

The financial data in the report come from audited financial reports of the Company. Other data come from internal documents and summarized statistical information of the Group. Unless otherwise specified, the currency used in this Report is Renminbi and all the amounts involved in this Report are measured in Renminbi. There are no false records, misleading statements, or major omissions in this Report. The Board of Directors holds joint and several liabilities for the authenticity, correctness, and completeness of this Report. The Report is written in both Chinese and English. Where there is slight discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Basis of Preparation

This Report is developed by referring to the *Global Reporting Initiative Standards* (GRI Standards), the United Nations Sustainable Development Goals (SDGs), and the *Guidance on Social Responsibility Reporting for Chinese Enterprises* (CASS-ESG 5.0) of the Chinese Academy of Social Sciences, and based on the actual conditions of the Company.

Process of Preparation

Based on ESG practices, this Report advanced by following the process of "project initiation and approval - material collection - preparation and revision - senior management meetings - review by the Board of Directors - external disclosure". Frequent communications were made with stakeholders during the project initiation and approval and the preparation and revision stages to study and demonstrate the framework structure and content of the Report.

Form of Release

You may view or download the electronic version of this Report on the official website of Sunwoda Electronic Co., Ltd. (<https://www.sunwoda.com/>).

The Company will keep improving and enhancing the disclosure level of this Report and the ESG management capability of the Company in the future. If you have any question or suggestion, please feel free to contact the Company:

Sunwoda Electronic Co., Ltd.

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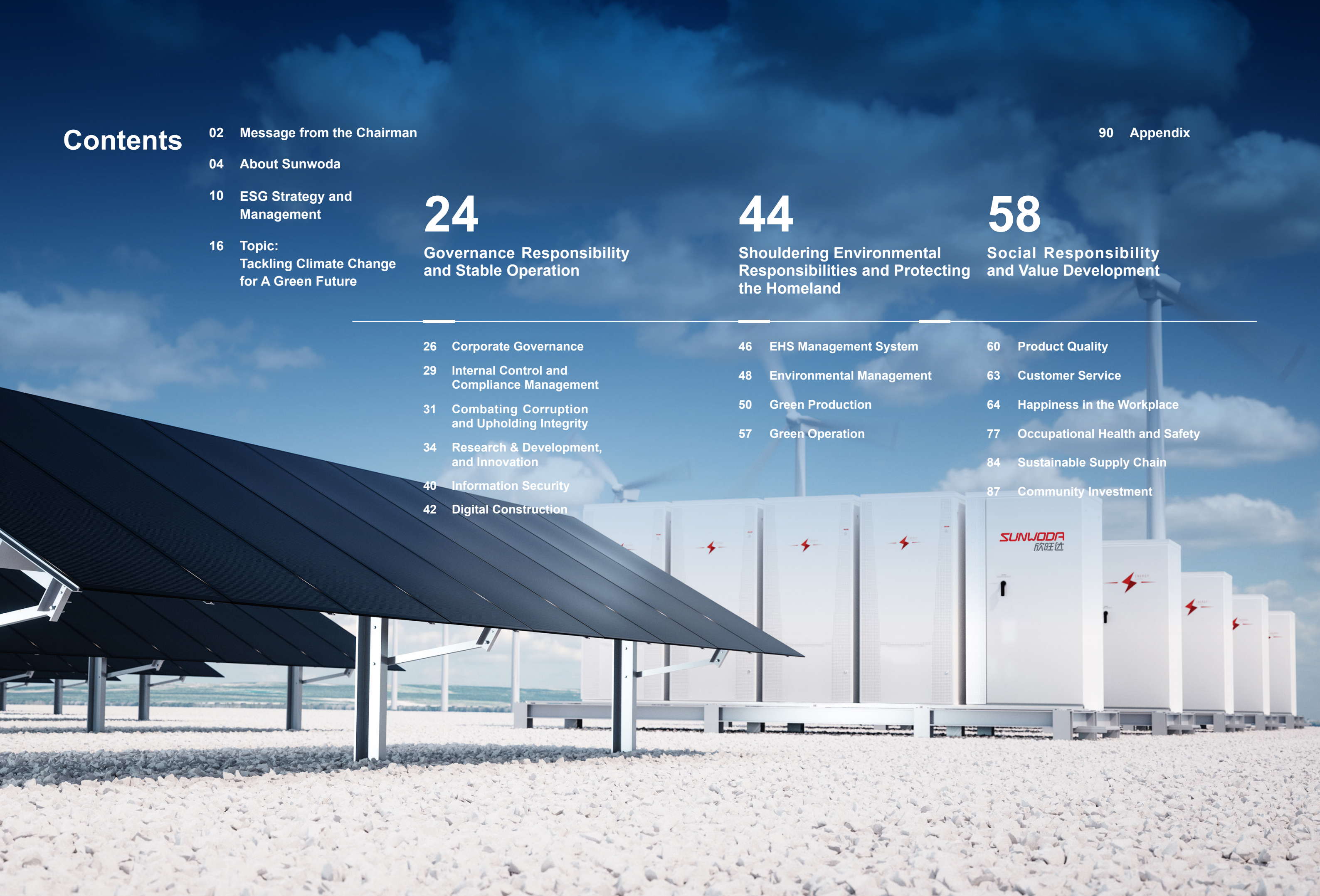
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Message from the Chairman



Chairman of Sunwoda
Wang Wei

As one of the leading companies in the new energy industry, Sunwoda believes in the principle of "the bigger the company, the greater the responsibilities". Facing the volatile international circumstance, economic downturn, market disruption, frequent extreme weather events, and drastic fluctuations in the price of energy and raw materials, while pursuing roaring performance, we also adhere to the core values of "creating value for customers, conducting self-criticism, being honest, dutiful, passionate, and enterprising, and valuing teamwork", and hold fast to the sustainability-based core operation philosophy. We respond to the United Nations Sustainable Development Goals, leverage our core advantages to actively practice the ESG (Environment, Society, and Governance) concept, and assume corporate social responsibilities, aiming to become "a respected world-class new energy company".

Against the backdrop that united response to climate change has become a global consensus and "carbon peaking and carbon neutrality" has gradually become a national strategy of many countries, all governments and all sectors are expressing their high concern about climate change and have released measures. Particularly, clear requirements have been put forward for carbon emission reduction and carbon neutrality of major industries and enterprises. The report of the 20th National Congress of the Communist Party of China proposes that we shall promote green development, facilitate the harmonious coexistence of humans and nature, firmly establish and practice the concept that "lucid waters and lush mountains are invaluable assets", and make plans of development based on the harmony between humans and nature. We are deeply aware of the threat and impact of climate change on human beings. Therefore, following the principle of "deeply understanding policy trends, fully satisfying customer requirements, and outstandingly performing social responsibilities", we have released the *Sunwoda Action Plan for Carbon Peaking and Carbon Neutrality* and developed 8 measures and 30 projects to facilitate carbon reduction, hoping to make as many contributions as we can by focusing on innovation.

In 2022, we invested RMB 65,277,900 in environmental protection, and was honored as the China's Leading Enterprise of Industrial Carbon Peaking in 2022 and the 2022 Forbes China Top 50 Sustainable Development Industrial Enterprises. As one of the first pilot enterprises of near-zero carbon emission in Shenzhen, we have

designed four major solutions, namely the multi-energy complementary zero-carbon park, the intelligent energy management system, the intelligent planning and design system of industrial park, and the intelligent operation management system, so as to reduce energy consumption to the maximum extent in the park. We have developed advanced energy storage solutions for five key application scenarios, including home, large-scale power grids, industrial parks, industrial and commercial applications, and telecommunication network energy storage. Our solutions can store solar energy, luminous energy, and other green energy as well as redundant energy from the power grid and reuse them. We focus on solving the widest concerns of new energy vehicle consumers via innovation, including charging, range, and safety. With an open and integrated innovation mode, we cooperate with clients, suppliers, and battery recycling enterprises in technology development, battery recycling management, and material extraction and use, thus laying a solid foundation for intensively repeated use of materials.

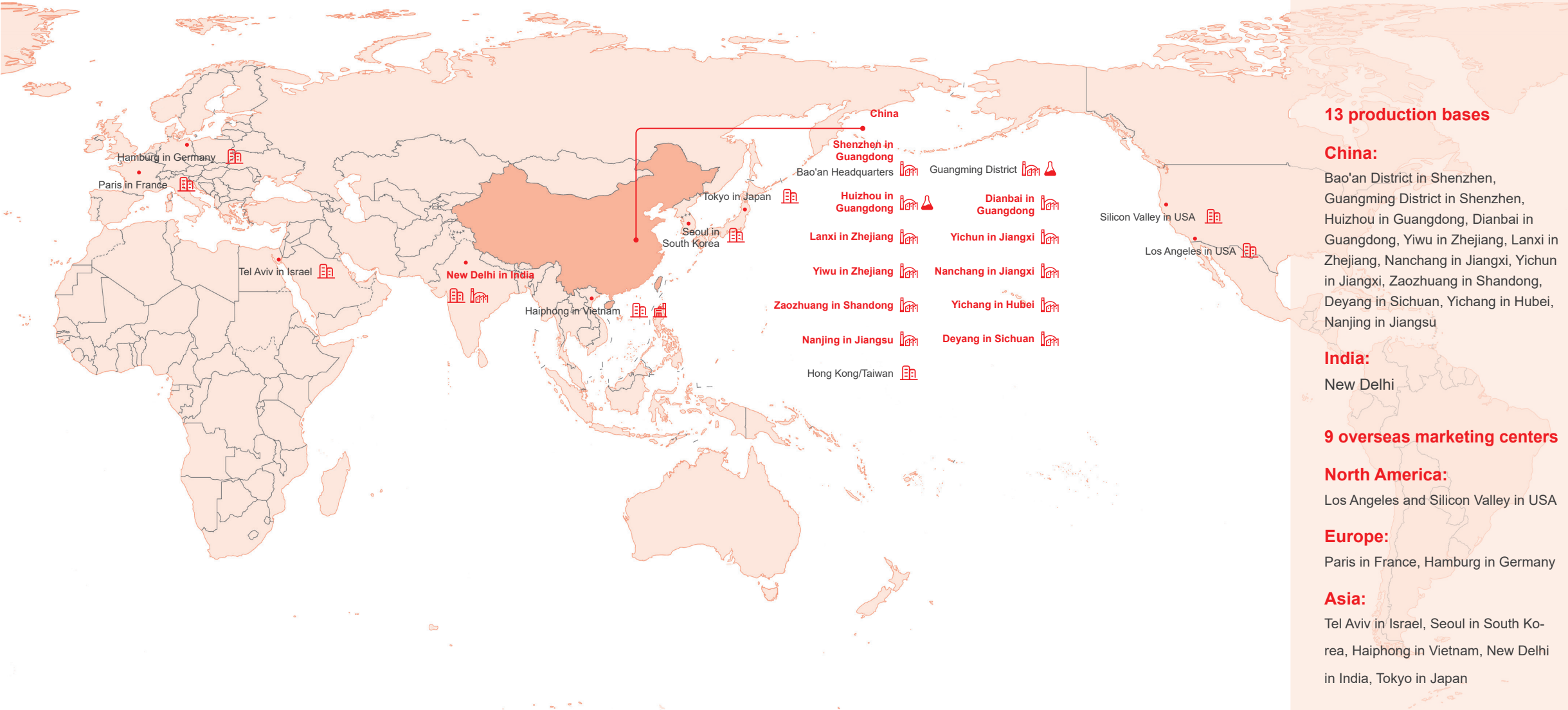
In 2022, we added 372 positions across the globe, with an increase of 14% over that of the previous year. We retained talents with a competitive salary structure, a sound system to protect the rights and benefits of employees, and a professional talent training mechanism. We established the Sunwoda University to empower employees and cultivate future talents; we carried out the "Spring Rain Operation" on a continual basis to listen to the voices of employees while developing and creating a diversified and inclusive workspace; we actively participate in public welfare services and take actions to embody our responsibilities. Based on the platform of the "Shenzhen Sunwoda Charity Foundation", we provide charitable services in poverty relief, education support, patient care, medical assistance, and disaster relief. The Company donated RMB 6.869 million in 2022, with a total donation amount of more than RMB 48 million over the years.

We will insist on promoting the integration of the ESG management mode into the operation of the Company based on sound corporate governance practice and actively implement the concept of sustainable development, so as to facilitate the advancement and development of the new energy industry and accomplish mutual benefits both in corporate development and social development.

About Sunwoda

Company Profile

Founded in 1997, Sunwoda Electronic Co., Ltd. is mainly engaged in the research, development, design, production, and sales of lithium battery cells and modules, and was listed on the GEM board of Shenzhen Stock Exchange in 2011. After more than 20 years of development, the Company has grown into a global leader of lithium-ion batteries supported by six major business clusters, namely 3C consumer batteries, electric vehicle batteries, energy technology, intelligent hardware, intelligent manufacturing and industrial Internet, and third-party testing services, and is committed to providing more green, fast, and efficient integrated new energy solutions for the society. Our lithium-ion battery modules for mobile phones are rated as the products of the national "champions in individual fields of the manufacturing industry". The Company has successively won the Shenzhen Mayor Quality Award, the Guangdong Government Quality Award, and has been rated as the National Demonstrative Enterprise of Technological Innovation, one of the Top 100 Manufacturing Enterprises in Shenzhen, one of the Top 500 Private Enterprises in China, and one of the Top 500 New Energy Enterprises Across the Globe. We were also included in Benchmark's Tier 1 of Automotive-grade Battery Producers and won honorable titles from Xiaomi, vivo, Dongfeng Liuzhou Motor, Nissan, and many other clients.



13 production bases

China: Bao'an District in Shenzhen, Guangming District in Shenzhen, Huizhou in Guangdong, Dianbai in Guangdong, Yiwu in Zhejiang, Lanxi in Zhejiang, Nanchang in Jiangxi, Yichun in Jiangxi, Zaozhuang in Shandong, Deyang in Sichuan, Yichang in Hubei, Nanjing in Jiangsu

India:

New Delhi

9 overseas marketing centers

North America:

Los Angeles and Silicon Valley in USA

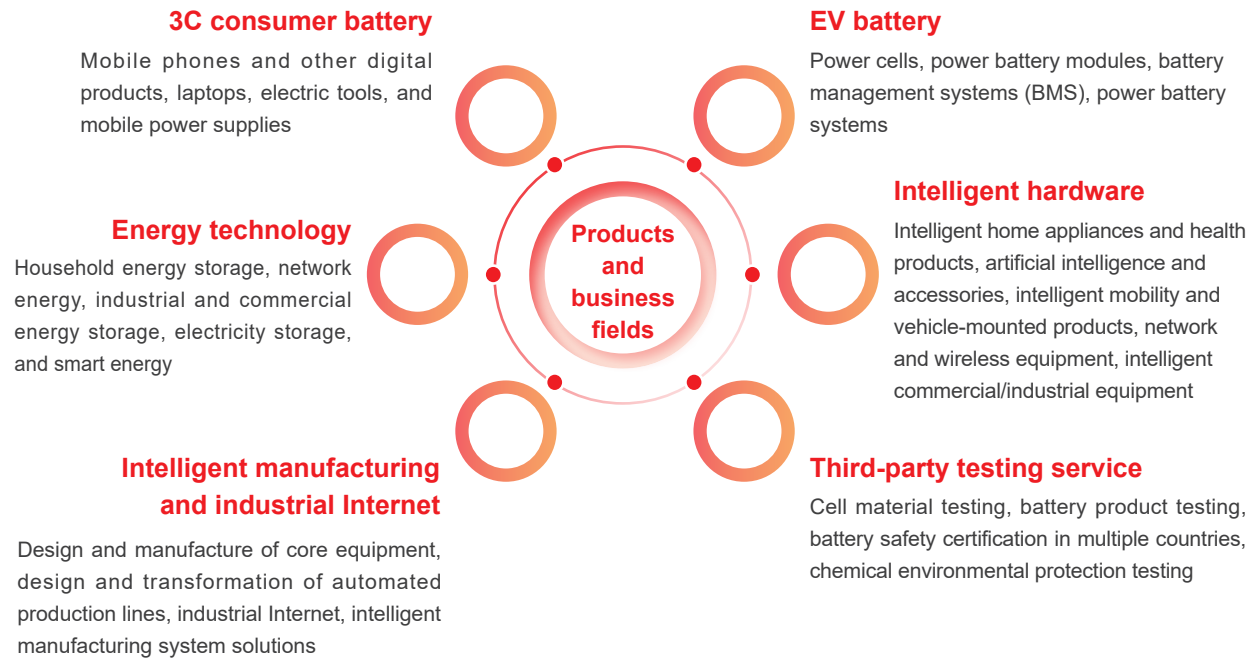
Europe:

Paris in France, Hamburg in Germany

Asia:

Tel Aviv in Israel, Seoul in South Korea, Haiphong in Vietnam, New Delhi in India, Tokyo in Japan

Sunwoda dipped toes into the electric vehicle battery business in 2008 with the electric vehicle battery system (cells, modules, BMS and PACK) as the core of its product portfolios. We also extended our upstream business to mineral raw materials, positive and negative electrode materials, and other key fields, while extending our downstream business to electric vehicles, energy storage power stations, gradient utilization of power batteries, and other sectors, thus forming a blueprint for the integration of the whole industry chain. Also, by leveraging our technical advantages in lithium battery energy storage and application, Sunwoda focuses on the fields of electric power, network power, household energy storage, and portable energy storage, with the aim of satisfying customers' diversified energy needs and providing comprehensive energy service modes of various types including lithium battery energy storage products, multi-scene integration solutions, and energy investment and operation.



Corporate Vision



Performance

2022



Honors Obtained in 2022

January 2022

Ranked 288th in China's Top 500 Listed Companies in 2021

eastmoney.com

January 2022

Ranked 178th in Hurun China 500 Most Valuable Private Companies 2021

Hurun Research Institute

June 2022

Tier 1 of Automotive-grade Battery Producers

Benchmark Mineral Intelligence

September 2022

Ranked 308th in China's Top 500 Private Companies in 2022

All China Federation of Industry and Commerce

September 2022

Ranked 194th in China's Top 500 Private Manufacturing Companies in 2022

All China Federation of Industry and Commerce

September 2022

Shenzhen Top 100 Industry Leaders

Shenzhen Industry Leader Corporate Development Promotion Association

September 2022

Ranked 88th in Leading Enterprises of Strategically Emerging Industries

China Enterprise Confederation
China Enterprise Directors Association

September 2022


Ranked 32nd in Top 500 Global Most Powerful New Energy Companies in 2022

Jointly released by China Energy News and China Institute of Energy Economics

September 2022

Ranked 299th in China's Top 500 Manufacturing Companies in 2022

China Enterprise Confederation



Outstanding IR Enterprise of Investor Relations 2021

Best Comprehensive Energy Service Provider Award in China's Energy Storage Industry 2022

May 2022

Outstanding IR Enterprise of Investor Relations 2021

Panorama Capital Market Service Platform

July 2022

Ranked 37th in China Corporate Social Responsibility Leaderboard 2021

Southern Weekly

August 2022

Nissan Global Supplier Innovation Award

Nissan

September 2022

Ranked 56th in Top 100 Innovative Large Chinese Enterprises 2022

China Enterprise Confederation
China Enterprise Directors Association

October 2022

Advanced Private Enterprise in the "Enterprise Supported Rural Revitalization" Program in Guangxi and Guangdong in 2022

Guangxi Zhuang Autonomous Region CPC United Front Work Department, Guangxi Provincial Federation of Industry and Commerce, Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, Guangxi Zhuang Autonomous Region Rural Revitalization Bureau

September 2022

Research Report on Chinese Enterprises' Contribution to Carbon Neutrality in 2022 & Top 50 Contributors

China Energy News

September 2022

Best Comprehensive Energy Service Provider Award in China's Energy Storage Industry 2022

China International Energy Storage Conference

September 2022

The 7th Guangdong Provincial Government Quality Award

Guangdong Provincial People's Government

November 2022


Demonstration Enterprise for Green Design of Industrial Products

Ministry of Industry and Information Technology

December 2022

The 6th Shenzhen Charity Award - Enterprise of Charitable Donations in Shenzhen

Organizing Committee of the 6th Shenzhen Charity Award



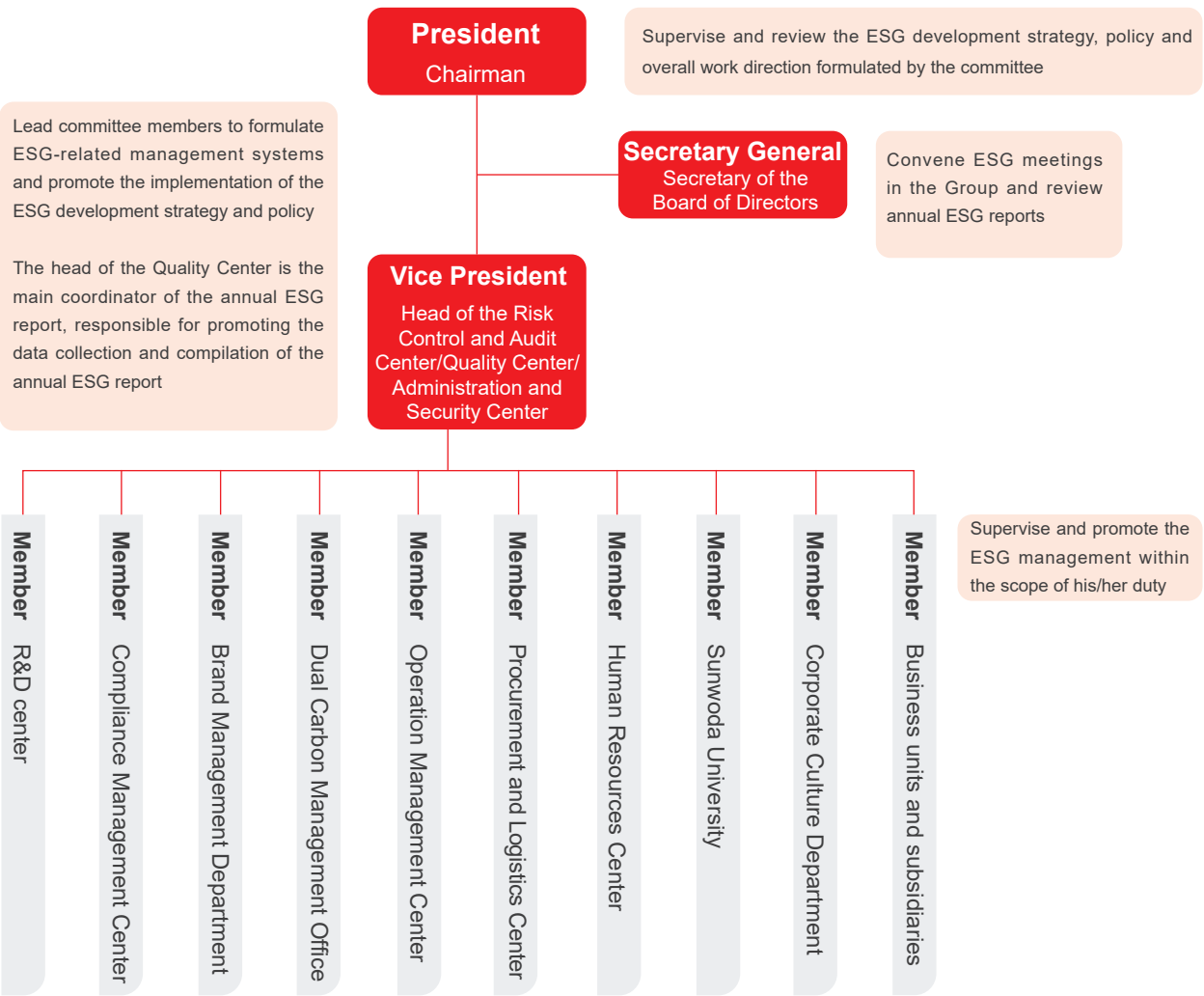
Nissan Global Supplier Innovation Award

ESG Strategy and Management

While adhering to the social responsibility principle of "insisting on honest, clean, self-disciplined, and human-based operation, performing social responsibilities, effectively protecting employees' legitimate rights and interests, and accomplishing harmonious development of the company, employees, and the society", Sunwoda deeply integrates ESG management into the operation and development of the Company, continuously promotes the sustainable development strategy, and keeps consolidating the ESG management, thus laying a solid foundation for the long-term development of the Company.

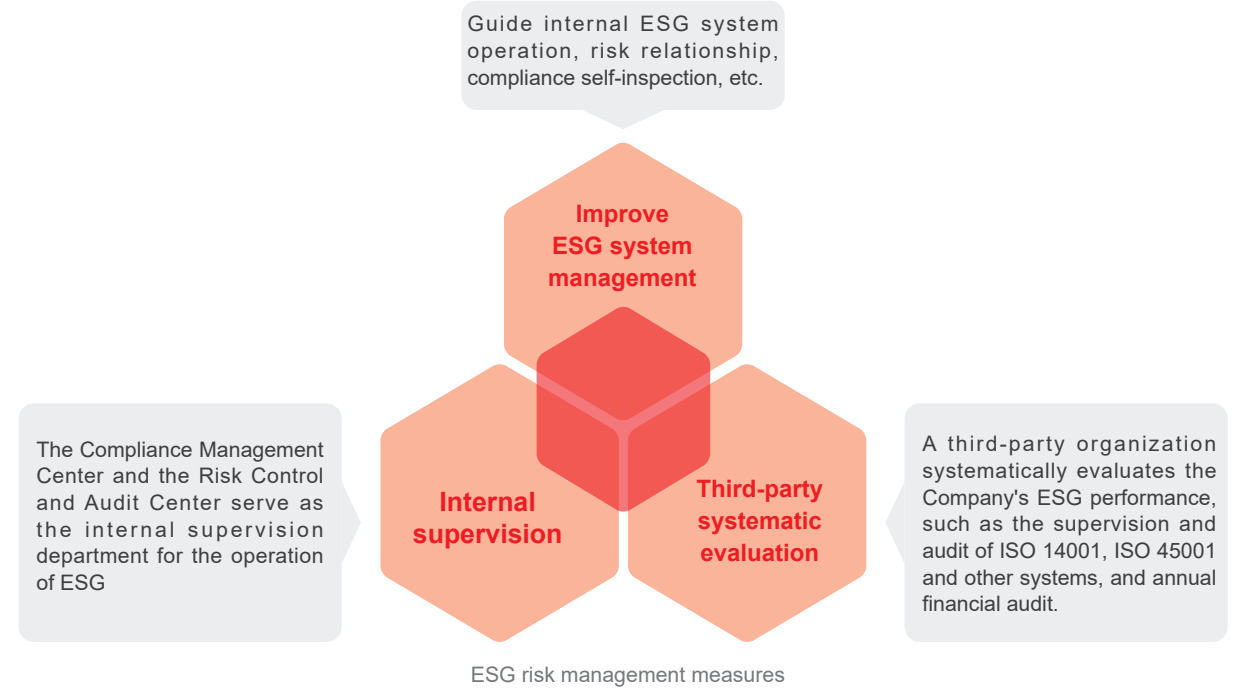
ESG Management System

The Company has established the ESG Management Committee led by the Chairman of the Board of Directors in ESG management matters. The Vice Chairman and the Secretary of the Board of Directors are responsible for the management and promotion of the Company's ESG development and the compilation of reports. Sub-committees are responsible for specific management work for coordinated communication and management.



Sunwoda's ESG Management Committee

In accordance with SA 8000 and the Code of Conduct of Responsible Business Alliance, ISO 14001, ISO 45001 and other standards, the Company has established an ESG management system in combination with the actual management of the Company, formulated the *Social Responsibility Manual*, and realized effective management through management system, internal supervision, and third-party audit. Besides, the Company organized training sessions to promote the awareness of sustainable development in a bid to improve employees' understanding of the Company's ESG strategy and relevant work.



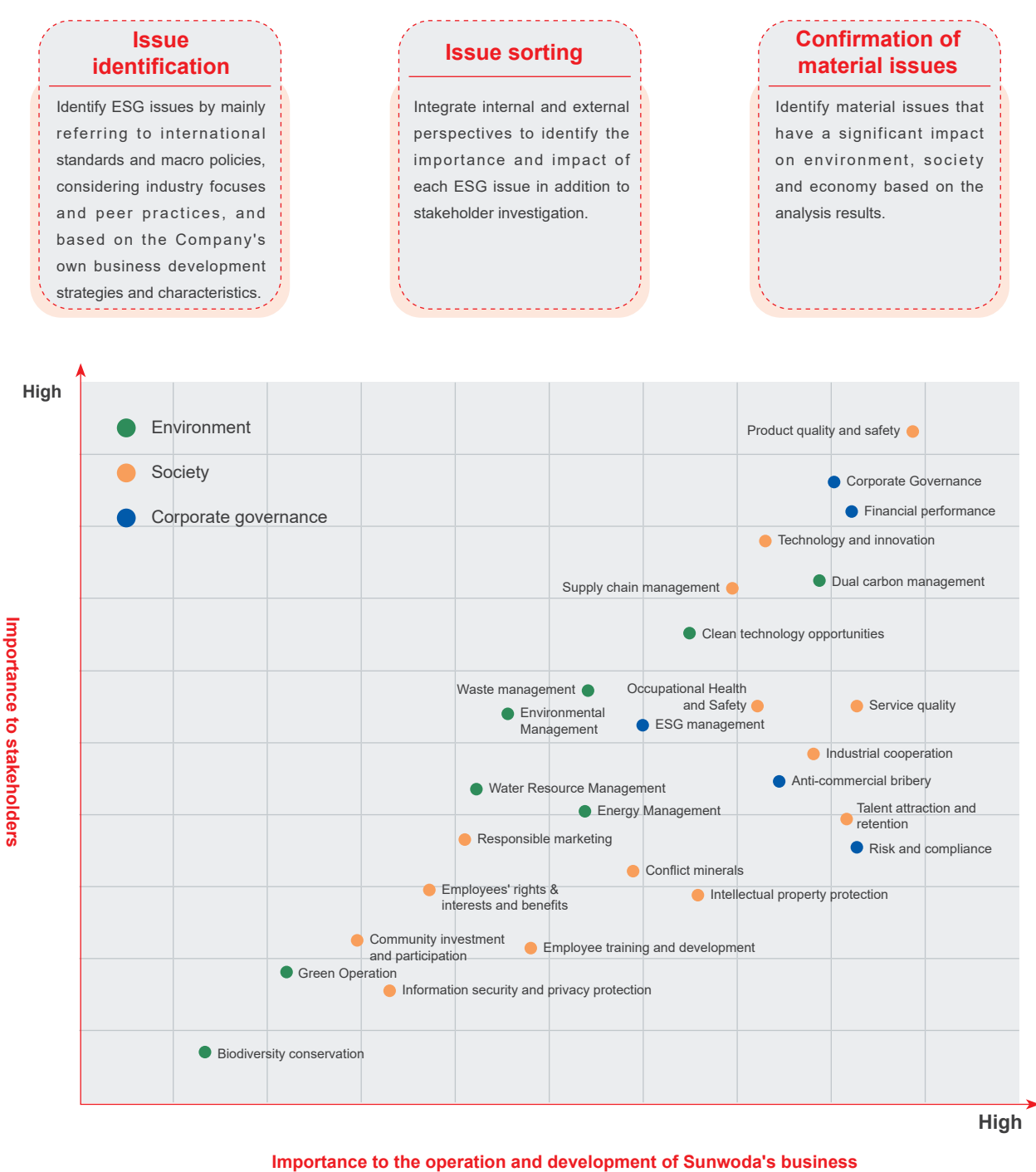
Communication with Stakeholders

Sunwoda pays attention to the impact of its operations on various stakeholders. By actively identifying stakeholders, sorting out the core concerns of all stakeholders, clarifying communication methods, and keeping abreast of the demands and expectations of stakeholders, the Company continuously improves its sustainable development performance. By taking practical actions, the Company actively creates economic, social and environmental values for various stakeholders such as governments, consumers, employees, shareholders, and industry partners, thus making continuous contributions to sustainable development.

Stakeholder	Issue of Concern	Communication and Response
Governments and supervisory organs	<ul style="list-style-type: none">Compliance operationAnti-commercial briberyEconomic performanceEnergy and greenhouse gas management	<ul style="list-style-type: none">Institutional investigationOfficial correspondencePolicy implementationInformation disclosure
Shareholders and investors	<ul style="list-style-type: none">Compliance operationEconomic performanceCorporate GovernanceWaste managementClean technology opportunitiesIntellectual property protectionTechnology and innovationTalent attraction and retention	<ul style="list-style-type: none">General Meeting of ShareholdersInformation disclosureRoadshows
Customers	<ul style="list-style-type: none">Product quality and safetyGreen OperationTechnology and innovationService qualityInformation security and privacy protection	<ul style="list-style-type: none">Quality Management SystemCustomer service systemSatisfaction surveyInformation security management system
Employees	<ul style="list-style-type: none">Employees' rights & interests and benefitsOccupational Health and SafetyInformation security and privacy protectionEmployee training and development	<ul style="list-style-type: none">Internal communication platformTrade unions and workers' congressesEmployee appraisal and promotionEmployee training
Suppliers and partners	<ul style="list-style-type: none">Supply chain management	<ul style="list-style-type: none">Supplier management systemSupplier evaluationSupplier exchanges and training
Industrial association	<ul style="list-style-type: none">Talent attraction and retentionSupply chain managementConflict mineralsIndustrial cooperation	<ul style="list-style-type: none">Industrial forumsExchange visits
Public and community	<ul style="list-style-type: none">Community charity	<ul style="list-style-type: none">Community activitiesPublic welfare actionsVolunteer services

Analysis of Material Issues

To continuously improve the ESG management capability, Sunwoda has comprehensively identified topics and issues that have an impact on the Company and its stakeholders and formed a library of material issues by following the guidance of national macro policies, the study of social responsibility standards at home and abroad, investigations of stakeholders, and the Company's development strategy. Sunwoda completed the assessment of the latest material issues at the end of 2022. Identified material issues remain valid. The actions and results of relevant issues are continuously responded to in this report.



Response to United Nations Sustainable Development Goals (SDGs)

Sunwoda fully considers the correlation between SDGs and the Company's ESG management practices and actively responds to SDGs by leveraging its resources and capabilities.

SDGs	Sunwoda's Action in 2022	Corresponding Chapter
	<ul style="list-style-type: none">The Company actively responds to national and local strategic deployment for rural revitalization, and supports rural revitalization in terms of education revitalization and social revitalization according to the Company's plans and actual conditions to further consolidate the outcomes of poverty alleviation.	<ul style="list-style-type: none">Rural Revitalization
	<ul style="list-style-type: none">The Company values the protection of employees' health, and carries out mental health examinations and free diagnosis for employees. All employees receive occupational health checkups.The Company offers medical assistance to those in need. Through the "Sunshine Protection" program, the Company has successfully provided assistance to 26 people with serious diseases, with the accumulative amount of assistance totaling RMB 733,700, thus effectively helping those stricken by poverty due to serious diseases.	<ul style="list-style-type: none">Employees' Rights and InterestsSocial Charity
	<ul style="list-style-type: none">The Company donated funds to set up the "Sunwoda Inspirational Scholarship" in Boluo Middle School; has set up the "Sunwoda New Energy Technology Innovation Scholarship" in South China University of Technology for 7 consecutive years to support accumulatively 1,108 students, inspiring students to study diligently and make contribution to the national rejuvenation with science and technologies.	<ul style="list-style-type: none">Rural Revitalization
	<ul style="list-style-type: none">The Company advocates equal employment and prohibits the limitation of female employees' legitimate rights and interests in labor contract or employment contracts, or discrimination against female employees in salary adjustments and job promotions. The proportion of female employees is 31.24%.	<ul style="list-style-type: none">Employees' Rights and Interests
	<ul style="list-style-type: none">Industrial wastewater is treated and recycled to achieve zero discharge. Domestic wastewater is reused for watering green landscapes and flushing toilets after being treated by the domestic wastewater treatment station in the park.Third-party organizations are hired to compile the Water Balance Test Report and carry out save-saving projects.	<ul style="list-style-type: none">Pollution Prevention and ControlWater Resource Management
	<ul style="list-style-type: none">Photovoltaic power stations are established in the Yuzhou Park in Henan, the Guangming Park in Shenzhen, and the Boluo Park in Huizhou.	<ul style="list-style-type: none">Energy Management
	<ul style="list-style-type: none">Complying with applicable local labor standards, the Company provides 64,823 job opportunities in total, recruits more than 2,000 fresh graduates and more than 50 employees from poverty alleviation programs. Local talents and suppliers are preferred in employment and procurement.The Regulations on Child Labor Rescue, Juvenile Workers and Female Employees Protection were formulated to strictly prohibit any form of child labor and forced labor.	<ul style="list-style-type: none">Employees' Rights and Interests

	<ul style="list-style-type: none">Investment in R&D amounts to RMB 2.742 billion.The Company cooperates with many well-known domestic universities and research institutes in lithium-ion battery technologies, battery materials, and other fields.	<ul style="list-style-type: none">Innovation-driven Development
	<ul style="list-style-type: none">Adhering to the principle of "fairness and justice", the Company prohibits all discrimination based on race, color, religious belief, gender, age and place of origin.	<ul style="list-style-type: none">Employees' Rights and Interests
	<ul style="list-style-type: none">To express the care for left-behind children in rural areas, the Company built the Children's Harbor project in Zhongcun, Yongxiu County, Jiujiang City, Jiangxi Province.	<ul style="list-style-type: none">Rural Revitalization
	<ul style="list-style-type: none">The Company strengthens the sustainable management of natural resources and hazardous chemicals, and reduces pollutant emissions.The Company cooperates with upstream and downstream manufacturers in the industry to promote business collaboration in waste recycling.	<ul style="list-style-type: none">Tackling Climate ChangePollution Prevention and Control
	<ul style="list-style-type: none">The Company clarified the goal of carbon peaking and carbon neutrality, and released the Sunwoda Dual-Carbon Action Plan.To explore the key path to a zero-carbon park, the Company released the "source-grid-load-storage" integration project and the "distributed energy demonstration system with multi-energy complementary integration and optimization" project, all of which have been accepted.The Company was certified by ISO 14064 and carries out greenhouse gas inventory and carbon verification every year.	<ul style="list-style-type: none">Tackling Climate Change
	<ul style="list-style-type: none">To combat desertification, the Company planted 1,500 populus euphratica trees in Dongfeng Town, Ejina Banner, Alxa League, Inner Mongolia Autonomous Region, as a windbreak and sand-fixing forest.	<ul style="list-style-type: none">Social Charity
	<ul style="list-style-type: none">The Company implements anti-corruption practices in all business activities from internal management to external cooperation, and prohibits any form of corruption, bribery, abuse of power, favoritism, and malpractice.The Company promotes a clean and honest corporate culture, continues to deepen the integrity awareness of all employees via all kinds of activities, and creates a sound working environment.	<ul style="list-style-type: none">Combating Corruption and Upholding Integrity


Topic

Tackling Climate Change for A Green Future

As a loyal practitioner of the "dual-carbon" goal and a forerunner committed to building a harmonious and beautiful society, Sunwoda has realized that "green economy" and "zero-carbon future" cannot just remain slogans. This beautiful blueprint must be realized by formulating forward-looking plans and taking systematic actions.

Keeping Moving Forward to Draw A Blueprint Together

Achieve carbon peaking at the operation level by 2029



Sunwoda Dal-carbon goals

Achieve carbon neutrality at the operation level by 2050

Planned goals

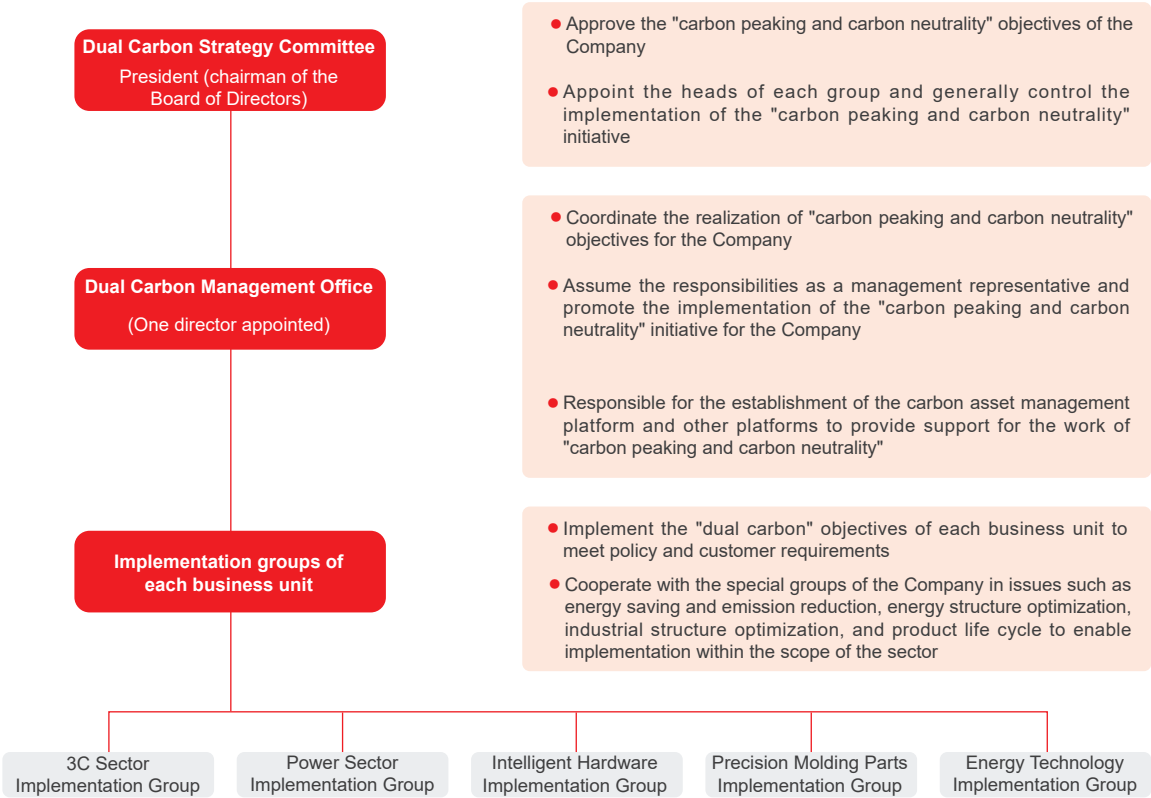
By 2030
Help society reduce carbon emissions by **6.84** million tons

By 2040
Help society reduce carbon emissions from transportation by **42.37** million tons

During the reporting period, the Company released the *Sunwoda Action Plan for Carbon Peaking and Carbon Neutrality* as a milestone of the Company in its practice of green and low-carbon development, and also gradually improved the dual-carbon management system according to its development strategy. In August, the Company established the Dual Carbon Strategy Committee, and Dual Carbon Management Office, and implementation groups in all sectors to promote the implementation of dual-carbon projects level by level. The Dual Carbon Strategy Committee held the first meeting on October 27, 2022.



The first meeting of the Dual Carbon Strategy Committee in 2022



Structure and responsibilities of the Dual Carbon Strategy Committee

Sunwoda proposed eight major measures in both direct and indirect emission reduction, and planned 30 projects to help the Company meet the goals of carbon peaking and carbon neutrality. In the future, Sunwoda will fully cooperate with all stakeholders to create a harmonious, green, and sustainable future, and contribute its effort to the success of China's "3060" strategy.

Key Measures	Work Content
Direct emission reduction	
Industrial layout	Start from top-level design such as the optimization of park site selection to plan for the path of carbon peaking and carbon neutrality.
Structure adjustment	Carry out projects such as photovoltaic power generation, PEDF pilot projects, and integrated application of source-grid-load-storage, etc., continue to optimize the energy structure, and increase the proportion of clean energy.
Energy conservation	Formulate carbon emission management goals, perform transformation based on energy-saving technologies, and reduce carbon emissions in operations.
Trade offset	Purchase CCERs and engage in other carbon trades to offset emissions to realize carbon neutrality. Also, explore new projects such as carbon sinks.
Indirect emission reduction	
Operation management	Establish a carbon emission management system to combine the management systems of energy, environment, and carbon emission, optimize resource allocation, and improve risk management and control capabilities.
Digital transformation	Fully promote the industrial Internet technology to improve quality and efficiency while reducing cost and carbon emission for the operation and development of the Company.
Pollution and carbon reduction	Vigorously promote the comprehensive recycling and utilization of resources by building an intelligent recycling system of used batteries.
Capability building	Organize training sessions for employees while attending high-end forums and events to build a first-ranking professional team in the industry.

Sunwoda's key work plan for carbon reduction



Sunwoda's Moves to Reduce Carbon Emission

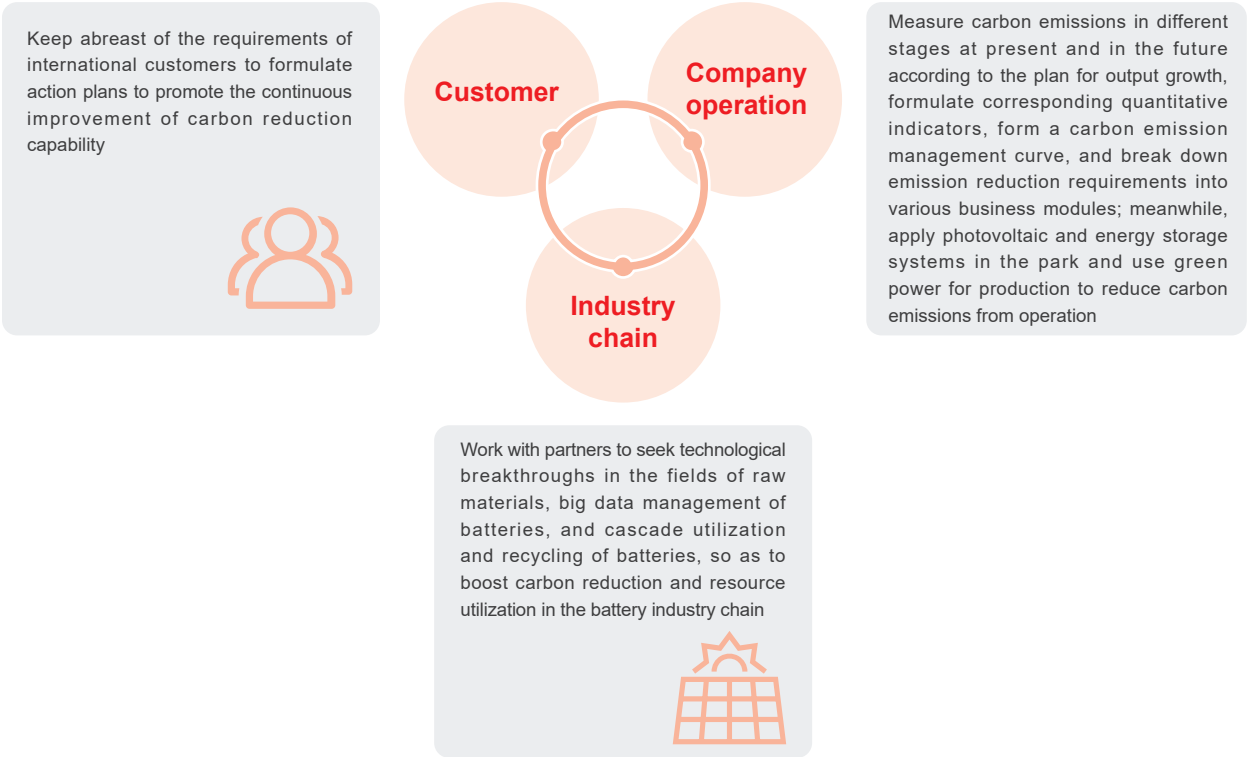
Committed to continuously reducing greenhouse gas emissions and mitigating the impact of climate change, Sunwoda has gradually improved the dual-carbon management system. As of the end of the reporting period, the Company had obtained the Green Factory Certification and the ISO 14064 certification. Every year, the Company hires a professional third-party organization to perform greenhouse gas inventory and carbon verification for subsidiaries. 9 subsidiaries have received greenhouse gas inventory checks and 3 received carbon verification checks.

Category	Unit	2022
Scope 1	tCO2e	44,605.94
Scope 2	tCO2e	767,178.30
GHG emissions	tCO2e	811,784.24
GHG emission density	t/RMB 10 thousand in revenue	0.16

Greenhouse gas emissions in 2022

Carbon Reduction Throughout the Whole Product Life Cycle

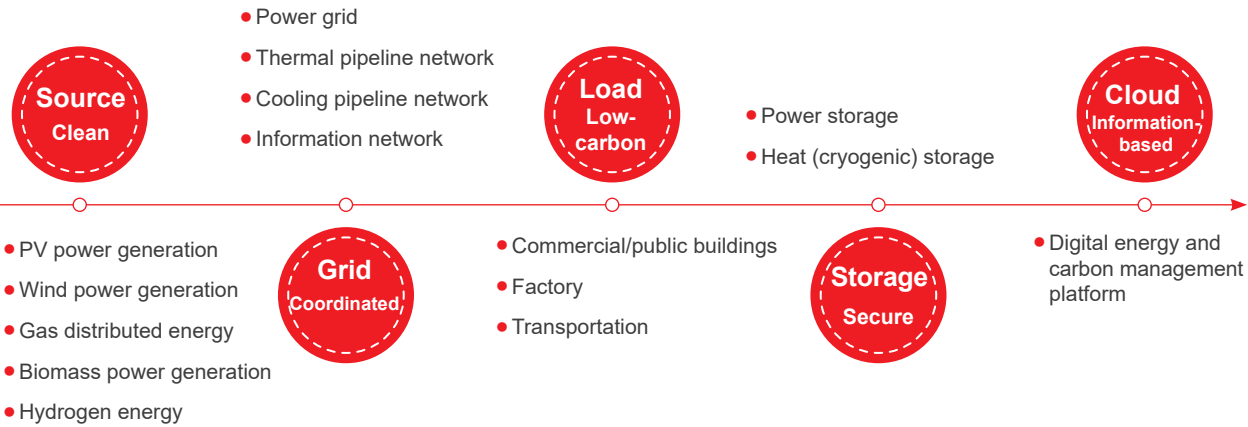
The Company adopts the strategy of reducing carbon emissions throughout the whole product life cycle in business operations, and takes effective carbon reduction actions through the analysis in each stage of the product life cycle to reduce greenhouse gas emissions.



Full life cycle carbon reduction strategy

"Source-grid-load-storage" integration

The "source-grid-load-storage" integration is a key path to the zero-carbon park. Sunwoda fully integrates the concept of carbon neutrality into the planning, investment, construction, management and operation of parks and takes advantage of its strength to build a zero-carbon intelligent park boasting "five sources, four grids, three loads, two storage forms, and one cloud". To satisfy users' diversified energy demands for cooling, heating, electricity, and gas, the Company, based on the comprehensive multi-energy synergetic planning, flexibly adopts distributed power generation, energy storage, efficient machine rooms, clean heating, super charging, and other technologies. By utilizing the complementation, integration, and optimization of multiple energy forms while relying on dynamic perception, intelligent communication, big data, and AI technologies, the Company has built a digital energy platform and realized efficient synergy between power source, grid, load, and storage, thus ensuring the safe, reliable, and economical operation of the energy system.



Five sources, four grids, three loads, two storage forms, and one cloud.

Upon completion, zero-carbon parks will general economic benefits, effectively reduce environmental pollution from parks, promote the low-carbon development of the society, and generate a development form that organically combines economic construction with environmental protection. The Company will continuously create a new landscape of clean energy featuring local consumption and multi-form complementation and build up a new kind of green, flexible, and reliable electricity system that highly integrates "sources, grids, loads, and storage", thus realizing low-carbon and even zero-carbon energy consumption for parks. At present, the Company has reached strategic partnerships with the Zaozhuang High-tech Zone, the Lanxi Municipal Government, and the Boluo District Government of Huizhou on "source-grid-load-storage integration". The purpose is to plan for and build a zero-carbon park and help the local government achieve carbon reduction goals.

Core Technical Capability	Content
Synergetic planning technology and planning software for the comprehensive energy station network	Based on years of experience in the study and engineering practices of comprehensive energy, the Company has developed scientific and practical planning methods and tools, which can output the cheapest and most cost-effective planning and construction scheme by means of load demand assessment, equipment characteristic modeling, boundary and constraint setting, alternative optimization of the configuration layer and the operation layer, and software simulation verification.
Distributed power generation technology	The Company has customized a flexible distributed power generation solution based on varying customer demands, resource environments, and site conditions. In this way, the Company can provide customers with full-scenario and professional distributed power generation technologies and services while helping them use energy in a green and economical manner.
Multiple energy storage technology	Having been engaged in the research and application of energy storage technologies for years, the Company is capable of independently studying, developing, and producing battery cores, packs, BMS, and EMS along the whole chain. Mastering the energy storage technology with a long service life and high security, the Company can provide tailor-made solutions suitable for the application demands in various scenarios.
Efficient machine room cooling technology	Guided by the goal of saving energy, the Company provides energy-saving management services for the entire process from design, construction, and commissioning to operation and maintenance. We also provide system response solutions under full-load conditions to save energy consumption and costs for users to the maximum extent.
Clean heating technology	While comprehensively considering users' heat consumption characteristics, resource endowment, climate environment, and installation conditions, the Company flexibly selects clean heating technologies such as electric boilers, phase change heat storage, waste heat recovery, and heat pumps to improve energy efficiency and reduce energy costs.
Super charging technology	The Company has developed fast-charge battery technologies from 1C to 6C, accompanied by a "super" charging system, which features outstanding advantages in increasing charging power, enhancing charging safety, and improving user experience.
Digital energy and carbon management platform	The Company has independently developed an intelligent management platform for energy and carbon assets that supports energy monitoring, carbon accounting, energy-carbon trading, and comprehensive management. The platform can intelligentize and empower zero-carbon parks and make them cleaner, safer, more efficient, and smarter.

Seven core technologies empower the construction of zero-carbon intelligent parks.



Case First "near-zero-carbon parks" in the power battery industry created by Sunwoda in Boluo, Huizhou

In Sunwoda's Boluo Park in Huizhou, the "distributed energy demonstration system with multi-energy complementary integration and optimization" program, a state-level key research and development program, was accepted in March 2022. As one of the major comprehensive energy demonstration projects initiated by the Ministry of Science and Technology during the 13th Five-Year Plan period, the park is installed with a CCHP distributed energy system and a 12.02 MWh photovoltaic power generation system. By deeply combining the low-carbon energy technology, multiple energy storage technology, intelligent control technology, big data, and advanced communication technology, the Company will build up a new kind of green, flexible, and reliable electricity system that highly integrates "sources, grids, loads, and storage" and create a new landscape of clean energy featuring local consumption and multi-form complementation.

Being empowered by the external source-grid-load-storage integration, the park deploys the digital energy and carbon management platform to drive the combination of energy flows, information flows, carbon element flows, and value flows. Also, we carry out big-data-based analysis of energy and carbon to realize the goals of environmental friendliness, high efficiency, all-for-one fusion, and smart agility. After the project was put into use, the economic and technical indicators of the project reached the leading level in the industry, represented by the comprehensive energy cost reduced by more than 8%, the peak-to-valley difference reduced by 15%, the error of tie-line power adjustment less than 5%, 12 MW of consumption for 1 hour of independent power generation, and 25 MW of consumption for 1 hour of independent cooling. The company will gradually apply its experience in the planning and construction of the "near-zero-carbon intelligent park" to the construction of other bases. Also, the "zero-carbon intelligent park" solution will be actively implemented by following the evolvement path of "low-carbon" - "near-zero-carbon", and "net-zero-carbon" intelligent parks.



Boluo Park in Huizhou, Guangdong

As of the end of the reporting period

Total PV power generation of the park

75,655.39 MWh

Standard coal saved

22,800 tons

Carbon dioxide emissions reduced

43,100 tons

Cooperating to Envision A Success Tomorrow

Sunwoda deeply works with governments, enterprises, and industrial associations to study dual-carbon topics, facilitate the regional efforts of dual-carbon practices, and realize sustainable development via cooperation.

Participating in Industrial Exchanges

The Company takes an active part in industrial forums and exchange conferences. During the reporting period, the Company had participated in the China EV 100 Forum, the Power Battery Industry Online Forum of GTM 2022, the Huaneng Capital New Energy Storage Industrial Chain High-end Seminar, the Carbon Peak and Carbon Neutrality Forum 2022 & the Shenzhen International Low Carbon City Forum, and made keynote speeches on all those events.

Case China EV 100 Forum

The China EV 100 Forum was held in Beijing. The Company was invited to attend the forum council and the private industrial situation seminar, on which the Company had in-depth discussion on "accelerating the development of new energy vehicles" with leaders from relevant national departments, representatives of 16 pilot cities, as well as well-known experts and senior managers in automobile, transportation, urban planning, and communication sectors. During the forum, the Company gave the keynote speeches titled *Strategic Choices for Power Battery Enterprises to Enhance Comprehensive Competitiveness and Challenges and Strategies of Power Batteries under the "Dual Carbon" Background*. Both speeches profoundly state that power battery enterprises shall regard "sustainable development" as an important means to improve their comprehensive competitiveness in the tide of green and low-carbon development.



Forum on Investment and Innovation of New Energy and Intelligent Vehicles

Participating in Standard Formulation

The Company participates in the formulation of dual-carbon standards. During the reporting period, the Company joined the Battery Industry Carbon Emission Standard Working Group and the Guangdong-Hong Kong-Macao Greater Bay Area Product Carbon Footprint Evaluation Standard Working Group of the China Industrial Association of Power Sources. The Company also actively participated in the compilation of the *Carbon Footprint Evaluation Standards for Product Labeling and Certification in the Guangdong-Hong Kong-Macao Greater Bay Area* and the *Guidelines for the Implementation of Energy Efficiency Benchmarking in the Battery Industry* as a core member.

Governance Responsibility and Stable Operation

Sunwoda continues to improve its governance structure, adheres to compliant and stable operations, and strictly abides by business ethics, while being committed to protecting shareholders' rights and interests in the long run.

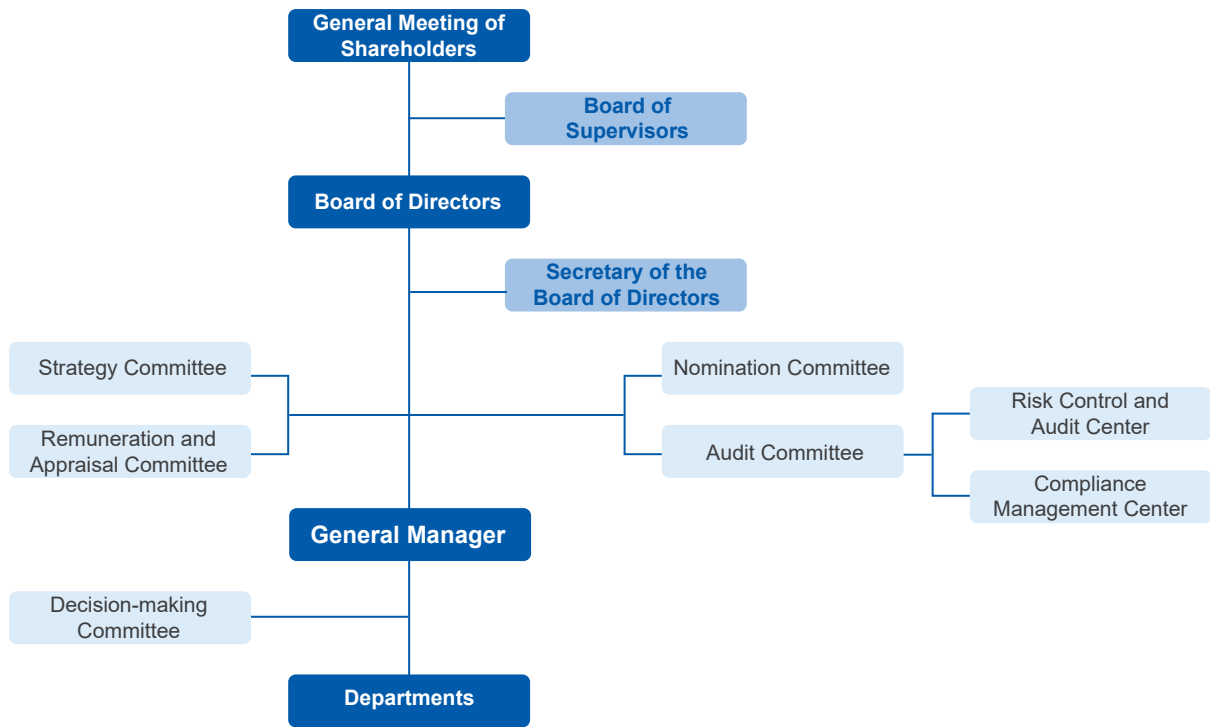
- Corporate Governance
- Internal Control and Compliance Management
- Combating Corruption and Upholding Integrity
- Research & Development, and Innovation
- Information Security
- Digital Construction

Contributions to SDGs:



Corporate Governance

Since the inception, the Company has strictly conformed to the laws, regulations, and requirements of listed companies and combined with the actual condition of the Company to keep improving the corporate governance structure and take intensive actions in corporate governance. The governance structure, consisting of the General Meeting of Shareholders, the Board of Directors and its special committees, the Board of Supervisors, and the management led by the general manager, boasts clear division of responsibilities, close coordination, and efficient operation. All functional levels operate in strict accordance with the *Articles of Association* and various rules of procedure and work, practically fulfill their respective duties and obligations, and protect the interests of all shareholders.



The governance structure of the Company

During the reporting period		
Meetings of the Board of Directors	Meetings of the Remuneration and Appraisal Committee	Meetings of the Strategy Committee
22	5	3
Meeting of the Nomination Committee	Meetings of the Audit Committee	
1	21	

Board of Directors

Operation of the Board of Directors

The Company strictly follows the *Articles of Association* to ensure that directors are elected in an open, fair, and independent manner. The members of the Board of Directors are elected or replaced by the General Meeting of Shareholders, with a term of three years. Please refer to the annual report of 2022 for the information about members of the Board of Directors.

Diversified Board of Directors

The Board of Directors appoints directors only based on their competence and is committed to selecting the best candidates in the principle of diversity, including diversity in gender, ethnic group, region, culture, and experience. The Company firmly believes that diversified directors will benefit the performance improvement of the Company and are critical to the satisfaction of our strategic goals in sustainable development. The current seven directors of the Company are well experienced in management, accounting, and law.

Information Disclosure Management

The Company strictly abides by relevant laws and regulations. Considering the actual operation conditions, the Company has formulated the *Management Regulations on Information Disclosure* to standardize the Company's information disclosure behavior, improve the level and quality of information disclosure management, and protect the legitimate rights and interests of investors.

Periodic report	Interim report	Announcement
<ul style="list-style-type: none">The preparer of the report prepares the draft of the periodic report in a timely manner and submits it to the Board of Directors for review.After the draft of the periodic report is completed, the Secretary of the Board of Directors is responsible for sending it to directors for review.The Chairman of the Board of Directors is responsible for convening and presiding over the board meeting to review the periodic report.The Board of Supervisors is responsible for reviewing the periodic report prepared by the Board of Directors and submitting written review opinions on the periodic report.The Secretary of the Board of Directors is responsible for organizing the disclosure of the periodic report after it is reviewed at the board meeting.	<ul style="list-style-type: none">When directors, supervisors, and senior managers become aware of the occurrence of a major event, they shall immediately report it to the Chairman or the Secretary of the Board of Directors.After receiving the report, the Chairman or the Secretary of the Board of Directors shall report it to the Board of Directors immediately, and the Secretary of the Board of Directors shall organize the preparation and disclosure of the interim report in accordance with the <i>Management Regulations on Information Disclosure</i>.	<ul style="list-style-type: none">Announcements made by the Company shall be reviewed by the Secretary of the Board of Directors for compliance, and then be submitted to the Chairman of the Board of Directors for issuance.After the Chairman issues the announcement, the Secretary of the Board of Directors files an application for announcement with the Shenzhen Stock Exchange and submits the documents to be disclosed.After being reviewed and registered by the Shenzhen Stock Exchange, the announcement will be made on the media designated by the China Securities Regulatory Commission.

Investor Relations Management

In order to promote and improve the governance structure and standardize the management of investor relations, the Company has formulated the *Management Regulations on Investor Relations* in accordance with relevant laws and regulations and based on actual conditions. The Company adheres to the principle of "fairness, impartiality, and openness" in investor relations management, communicates with investors through multiple channels and at multiple levels, and presents and reflects the Company's actual conditions objectively, truthfully, accurately, and completely, so as to improve investors' understanding and recognition of the Company, enhance our governance level, maximize the benefits of the Company, and protect the legitimate rights and interests of our investors.

Statistical analysis

Statistically analyze the number, composition and changes of investors and potential investors;

Continue to focus on information such as opinions, suggestions and reports of investors and media, and provide timely feedback to the Board of Directors and the management of the Company.

Information communication

Establish and improve the Company's internal information communication system;

Disclose information in accordance with the requirements of laws, regulations, listing rules and relevant regulations of the Company;

Answer the questions from investors, analysts and the media.

Reception

Maintain regular contact with small and medium investors, institutional investors, securities analysts, and news media, increase investors' attention to the Company, and carry out the reception and registration work;

Hold regular or irregular analyst briefings, web conferences, and online roadshows according to the Company's situation.



Media cooperation

Maintain and consolidate the cooperative relationship with the financial media, and receive interviews and reports.

Public relations

Establish and maintain sound public relations with securities regulatory authorities, stock exchanges, industry associations, and other relevant departments;

Cooperate with relevant departments of the Company to propose and implement effective solutions, and actively maintain the Company's public image when the Company suffers great losses due to force majeure.

Construction of the network information platform

Provide technical support service for the Company's website or the background of the information disclosure website designated by the stock exchange, and set up an investor relations management column and an investor relations management platform.

Internal Control and Compliance Management

Internal Control

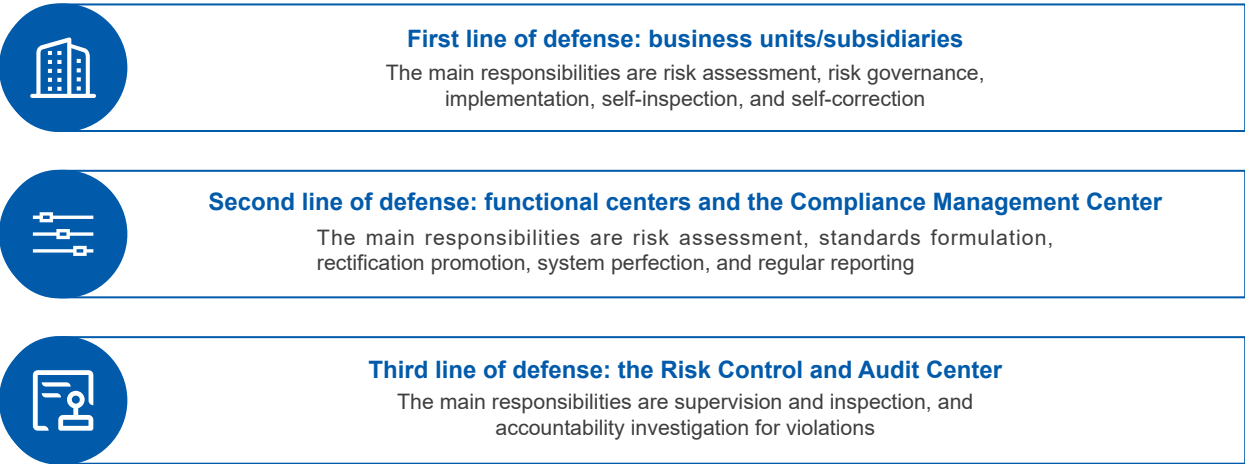
According to the *Basic Standards for Corporate Internal Control* and supporting guidelines, Sunwoda has formulated a series of system documents including the *Management Regulations on Supervision of Internal Control*, the *Procedure for Evaluation of Internal Control Risks*, and the *Management Regulations on Internal Control Evaluation*. The Board of Directors of the Company is responsible for establishing, completing, and effectively implementing the internal control system. The Board of Supervisors is responsible for supervising the Board of Directors during the establishment and implementation of internal control. Managers are responsible for organizing and leading the routine operation of internal control inside the Company. On the basis of routine supervision and special supervision of the internal control, the Company carries out self-evaluation programs of internal control each year to evaluate the effectiveness of internal control, and issues the *Self-evaluation Report of Internal Control* to keep improving our internal control capability.

Compliance Management

Sunwoda adheres to the compliance principle of "compliant, law-abiding, and honest operation to create value". According to the *ISO 37301-2021 Compliance Management System*, the *GB/T 35770-2022 Compliance Management System*, along with other domestic and international standards and best practices, the Company, in light of its own characteristics, has preliminarily established a comprehensive "four-in-one" compliance management mechanism consisting of the compliance organization system, the compliance documentation system, the compliance operation guaranty system, and the compliance culture construction system. The mechanism includes the following documents, such as the *Compliance Management Measures*, the *Code of Conduct for Compliance*, the *Compliance Risk Evaluation Procedure*, the *Management Regulations on Compliance Effectiveness Evaluation*, and the *Management Regulations on Compliance Assessment*. Meanwhile, the Company has established "three defense lines" consisting of various business departments/subsidiaries, the Function Centers, the Compliance Management Center, and the Risk Control and Audit Center to guarantee the effective operation of the Company's compliance management system.

Valuing the construction of a compliance culture, the Company advocates a compliance concept that "leaders should take the lead in learning and observing regulations" while organizing annual compliance training for the senior management, basic compliance knowledge training for managers/supervisors, and general education for new employees. Meanwhile, senior managers and employees are requested to sign the *Commitment Letter of Compliance* to let them voluntarily follow compliance practice.

During the reporting period, the Company identified compliance risks via interviews with employees, questionnaires, and risk list sorting. According to the risk rating result, the Company started to construct the compliance management system, proposed targeted improvement plans and supporting institutional processes, and embedded control measures into business processes to effectively prevent and control related risks.



The three defense lines of compliance risk management



Compliance publicity

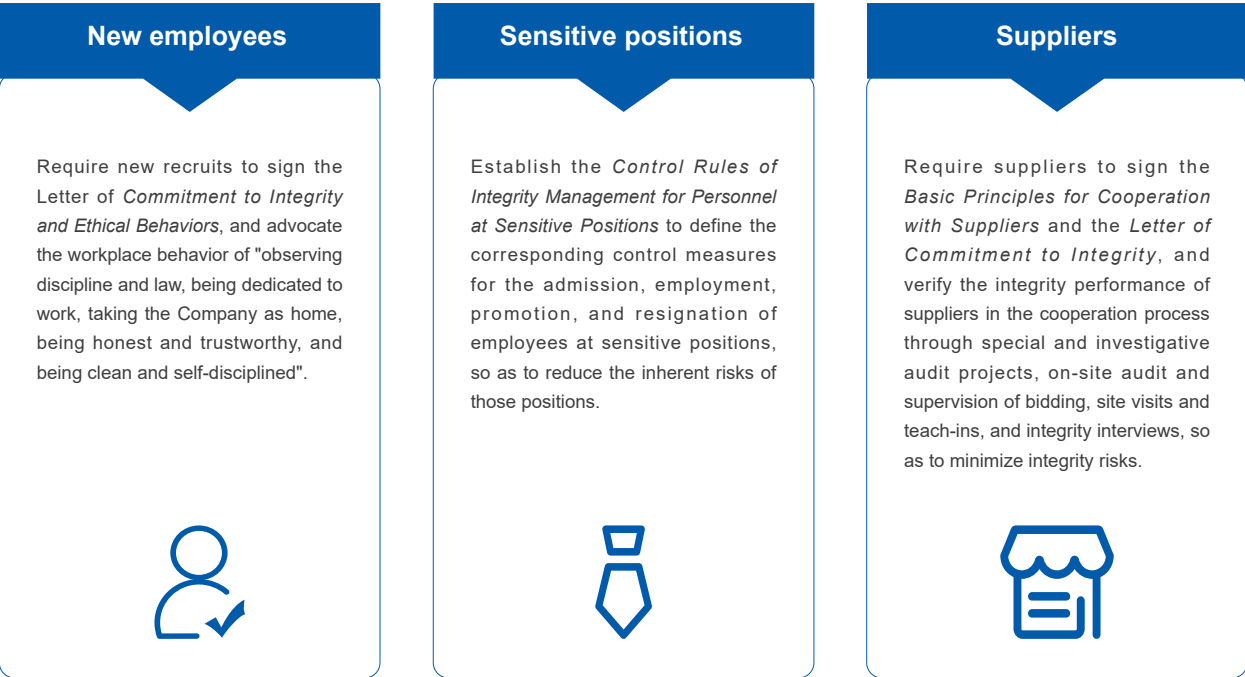
Combating Corruption and Upholding Integrity

Strictly abiding by the laws and regulations on anti-corruption in the country or region of business, Sunwoda is committed to implementing anti-corruption practices in all business activities from internal management to external cooperation, and prohibits any form of corruption, bribery, abuse of power, favoritism, and malpractice. The Company has established a clean management and governance structure with reference to the ISO 37001 anti-bribery management system, formulated rules and regulations covering anti-bribery, anti-fraud, and the code of clean and ethical conduct, and released them on the official website of the Company to clearly inform all employees, suppliers and relevant partners of the Company's integrity and compliance requirements as well as the zero-tolerance attitude toward corruption and fraud. Also, the Company has listed the corresponding punishment measures for violations of regulations and disciplines, thus providing institutional guarantees and basis for anti-corruption and anti-fraud efforts.

Anti-corruption Management

As the Company's specialized executive agency of anti-corruption and anti-fraud actions, the Risk Control and Audit Center has a professional investigation team consisting of members from public security and procuratorial organs experienced in investigation and anti-fraud work. Directly reporting to the Board of Directors, they can independently and impartially investigate and handle violations and frauds. The Company regularly reviews the integrity and anti-fraud documents and makes revisions as needed to make sure that those institutionalized documents can meet the requirements of existing laws and regulations and satisfy business development of the Company. During the reporting period, the Company added the *Management Regulations on Collaborative Anti-fraud Investigation*; optimized the *Management Regulations on Business Ethics*, the *Management Regulations on Integrity and Ethical Behaviors*, and the *Management Regulations on Whistleblowing, Acceptance, and Investigation*; completed the provisions about anti-commercial bribery and anti-commercial fraud in the *Basic Principles for Cooperation with Suppliers*, improved rules about the punishment for suppliers' violations, and added a form for suppliers to encourage them to report conflicts of interest actively.

The Company applies anti-corruption and anti-fraud management in the key stages of operation activities and key positions. During the reporting period, the Company identified integrity risks via interviews with employees, questionnaires, and risk list sorting, and output risk evaluation reports.



Sunwoda's anti-corruption management measures

Whistleblowing Mechanism

The Company has formulated and announced the *Management Regulations on Whistleblowing Acceptance and Investigation*, the *Anti-fraud Management Regulations*, and the *Management Regulations on Whistleblower Protection*; provides various reporting channels including email, telephone/WeChat, and reporting platforms; guides and encourages all employees, suppliers, and related partners to report possible corruption, bribery, and major malpractices anonymously or with their real names through the official website, email, training, tweets, and posters.

Reporting channel

Email: jubao@sunwoda.com

Phone: 0755-23053561 or 18126270617 (WeChat Account)

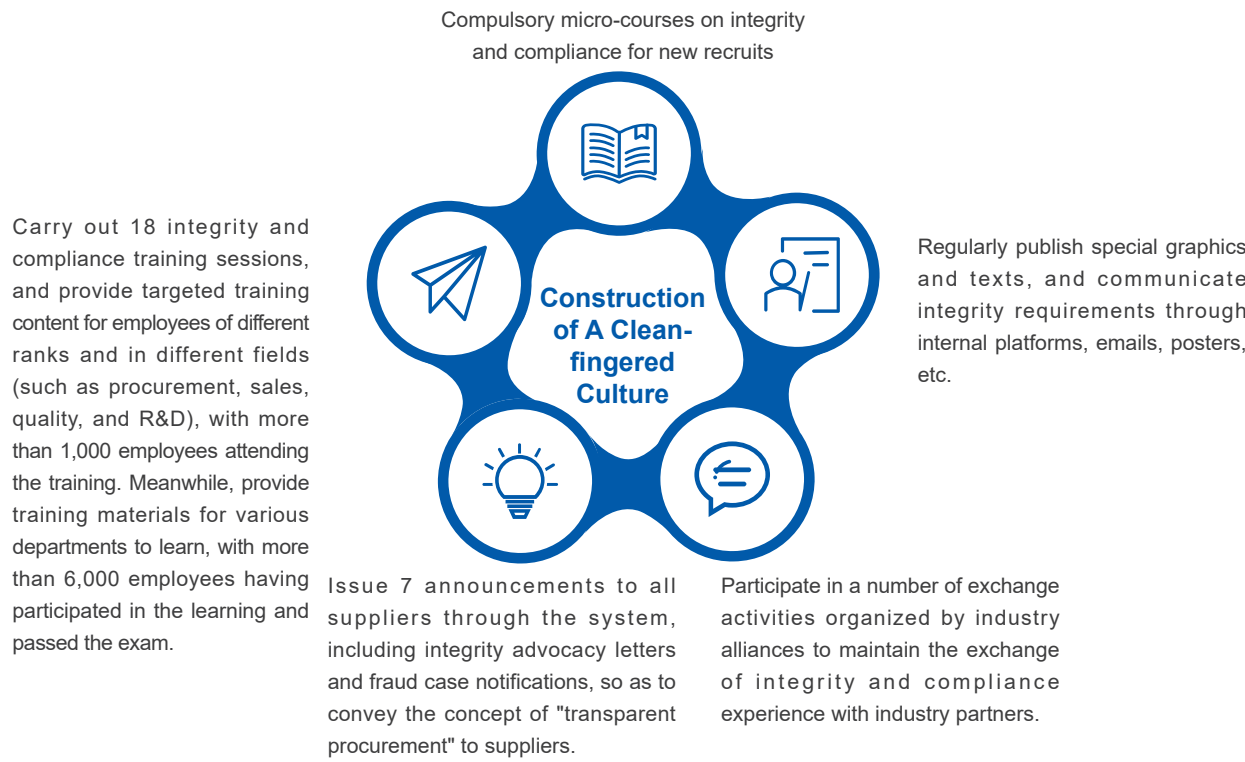
Website: www.sunwoda.com/jubao

Mailing address: Sunwoda Audit Department, No. 2, Yihe Road, Shilong Community, Shiyan Sub-district, Bao'an District, Shenzhen City.



Construction of A Clean-fingered Culture

To aggressively promote the corporate culture of integrity and honesty, the Company strengthens employees' awareness of integrity by means of face-to-face training, video publicity, message push, and the propaganda month, so as to create a positive workplace. During the reporting period, the Company organized the following integrity education activities:



Clean-fingered culture construction activities

On-the-job publicity for integrity and compliance

Promotional tweet for honesty and integrity

During the reporting period

Training sessions

18

Totaling

29

hours

Covering

More than

7,000

employees

More than

14,000

employees participated in the annual honesty and integrity self-inspection

Nearly

13,000

employees signed the *Commitment Letter of Compliance for Employees*

The Company reported no major corruption or violation event

Research & Development, and Innovation

Innovation-driven Development

While attaching continuous importance to and strengthening the construction of the innovation system, Sunwoda combines the research and development direction with business development and continuously steps up the investment in research and development to create a corporate culture of innovation and encourage collaborative innovation. With a total of 8,364 employees, the research and development team is divided into six major branches to promote sustainable product innovation, namely the 3C consumer batteries research team, the power battery core and system research institute, the intelligent hardware research institute, the energy storage research institute, and the intelligent manufacturing research team.

3C consumer battery R&D team

Research and develop batteries for mobile phones and other digital products, tablets, laptops, electric tools, smart vehicles, and smart hardware, as well as mobile power supplies.

Power battery core and system research institute

Provide EV battery pack solutions for global new energy vehicle manufacturers on the strength of advanced lithium battery integration technologies. Products provided include: power cells, power battery modules, battery management systems (BMSs), and power battery systems.

Intelligent hardware research institute

Research and develop intelligent hardware products, such as VR wearable devices, VR all-in-one machines, drones, electronic pens, smart speakers, translators, balance scooters, story teller machines, etc.

Energy storage research institute

Research and develop energy storage products such as grid energy storage, industrial and commercial energy storage, household energy storage, network energy, and smart energy products.

Intelligent manufacturing R&D team

Research and develop battery-related automated production lines and automated equipment. Its products cover lithium battery cells and pack production lines of consumer electronics, power cells, modules, and pack production lines of electric vehicles, and related laser welding equipment. It possesses strong capabilities in the design, development, integration, and implementation of plant-wide automation.

To continuously drive the research and development and boost creativity in employees, the Company, based on innovation-motivating systems such as the *Management Regulations on Innovation* and the *Management Regulations on the Reward for Technical Innovation*, encourages and motivates employees to stir their creativity and improves the independent innovation capability and technological advancement driven by both technical management and innovation.

Build a product strategy

Clarify the Company's core products, core areas, core technologies, strategic vision, strategic planning, and overall business objectives, sort out business modes as well as product and market expansion strategies, and eventually form a product line business plan to guarantee the capability of satisfying market demands.

Improve product development

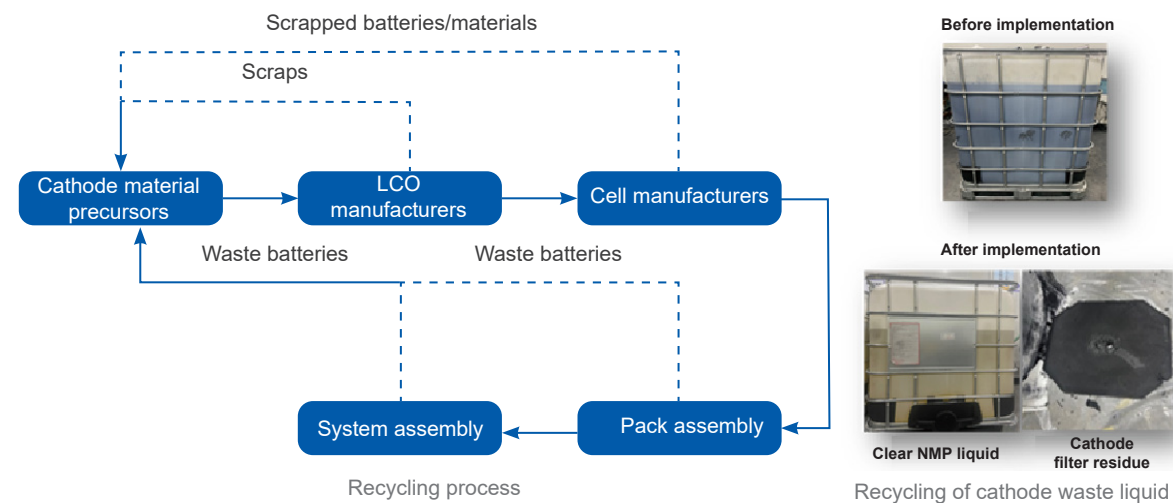
Carry out product development activities covering all elements of market, technology, process structure, testing, production, and procurement under the guidance of roadmap planning, and perform management based on the six stages, namely concept, planning, development, verification, release, and life cycle; meanwhile, make investment and review through four decision-making review points and six technical review points in stages to reduce development risks, realize the integration of resources within a period of time, and develop new products accurately and quickly, with a low cost and high quality based on market demands and shared platforms.

Matrix-typed project management

Members of the product development team come from different functional departments, such as R&D, marketing, finance, procurement, production, and quality. Each department has its own representative and all departments work together to complete the objectives of product development projects.

Case Classification and recycling of cathode waste liquid

In the cathode manufacturing process of the lithium-ion battery industry, a large amount of new NMP (N-methylpyrrolidone) liquid will be used to clean the cathode paste mixing equipment and the pipeline transportation system during equipment maintenance to guarantee product quality. This process generates a large amount of NMP waste liquid, also known as cathode waste liquid. This waste liquid is worthless because it cannot be recycled valuably as thick waste paste for being too thin or as clarified NMP liquid for being mixed with other paste. Therefore, it causes great waste of resources and leads to high processing costs. Therefore, Sunwoda works with upstream and downstream manufacturers to recycle and reuse positive electrode waste in an environmentally-friendly manner. The Company separates high-value clarified NMP liquid and near-solid cathode material from worthless cathode waste liquid, whose battery performance makes no difference from that of mineral cobalt. All waste raw materials are recycled into resources instead of being discharged into the environment to maximize their value through resource recycling and reusing while creating economic and environmental benefits amounting to approximately RMB 2.6 million per year.



Industry-university-research Cooperation

To fully realize the long-term development of the Company and enhance our technological innovation capabilities, Sunwoda attaches great importance to industry-university-research cooperation. At the beginning of 2021, the Company also came up with and improved an industry-university-research cooperation idea from six major aspects, namely cutting-edge technology exchanges, research and development resource sharing, technical project development, government project application, joint talent cultivation, and scientific outcome commercialization. The Company has cooperated with many well-known universities and research institutes in lithium-ion battery technologies, battery materials, and other fields, so as to fuel the high-quality development of the industry with technologies and enable the Company to grow stronger based on the research and development capability.

Since the approved establishment of the postdoctoral scientific research workstation in 2013, the Company has worked with Tsinghua University, South China University of Technology, University of Science and Technology of China, Dalian University of Technology, and other universities to jointly cultivate postdoctoral talents in materials science, physical chemistry, electrical engineering, safety engineering, mechanics, and other majors. As of the end of the reporting period, the Company has recruited and developed 100 postdoctoral talents, including 2 Shenzhen Reserve Talents and 27 Overseas High-level Talents. 51 of them have completed the development program and achieved remarkable accomplishments.



The renewal ceremony for the joint construction of the phase II united laboratory (2022 – 2026) of advanced energy storage technologies between Sunwoda and South China University of Technology



The signing ceremony of the strategic cooperation between Sunwoda and Songshan Lake Materials Laboratory

Industrial Exchanges and Cooperation

Technical exchanges: To better keep abreast of the latest technical trend and effectively absorb technical outcomes, during the reporting period, Sunwoda invited industrial experts to hold 8 internal technology exchange meetings involving advanced battery technologies, novel battery materials, energy storage materials, and battery safety. Many well-known Chinese universities and scientific research institutes attended the meetings, including Soochow University, Beihang University, China Electric Power Research Institute, University of Science and Technology of China, Beijing Institute of Technology, and South China Normal University. In addition, the Company actively creates opportunities of technical exchanges, and held the 12th Shenzhen Staff Technology Innovation Games & the 2022 Shenzhen Skills Competition - Vocational Skills Competition in Industrial Internet Technology (Data Collection) during the reporting period.



Expert technology seminars



Case New skills for new dreams in the new era

The Industrial Internet has become a critical force to promote the digital transformation of the manufacturing industry and support high-quality economic development. In order to further bring out the creativity from technical talents, link up the industrial chain and the innovation chain with talents, and build a high ground for the cultivation of Industrial Internet talents at a faster pace, the Company actively organized the 12th Shenzhen Staff Technology Innovation Games & the 2022 Shenzhen Skills Competition - Vocational Skills Competition in Industrial Internet Technology (Data Collection). With the theme of "New Skills for New Dreams in the New Era", the competition is paired between enterprises and academic institutions and divided into the preliminary stage and the final stage. The preliminary contest tests theoretical knowledge while the final stage tests practical operation. The event drew the attention of 54 enterprises and academic institutions, with a total of 144 contestants (in 72 groups) participating the competition, covering all districts of the city.



The Company organized a team to attend the 12th Shenzhen Staff Technology Innovation Games

High-end conferences and exhibitions: The Company values industrial exchanges and actively participates in exchange and sharing seminars with peers of the new energy industry to create an image of a high-end new energy enterprise. During the reporting period, the Company participated in 12 industrial-level exhibitions and conferences, including 3 exhibitions and 9 conferences. Exhibitions and conferences include the China EV 100 Forum, the 2022 GGII Lithium Battery Industry Summit, the China (Suining) International Conference on Lithium Battery Industry, and other domestically top-notch conferences. By attending these events, the Company exhibits to the whole world its advanced technological advancement and manufacturing capability in power batteries.

Case China (Suining) International Conference on Lithium Battery Industry

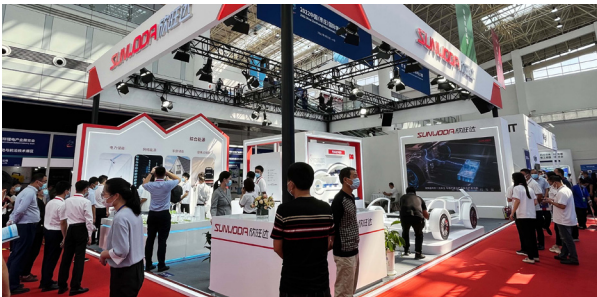
The 2022 China (Suining) International Conference on Lithium Battery Industry & International Symposium on New Energy Vehicle and Power Battery Industry was held in Suining. The Company was invited to the event and delivered keynote speeches titled "To A New Era of Manufacturing Energy" and "Challenge and Development Strategies of High-Specific-Energy Power Cells". During the event, the Company offered suggestions and joined the discussion on cutting-edge issues with global industrial experts in various fields and representatives of leading companies on the industrial chain, so as to promote the development of the lithium battery industry.



China (Suining) International Conference on Lithium Battery Industry



The Company delivered a keynote speech titled *Innovation Direction of Power Batteries in the "Dual Carbon" Background* at the 15th GGII Lithium Battery Industry Summit themed "Collaborating with Downstream and Upstream Partners to Jointly Build A New Ecosystem".



The Company made a debut at the China (Zaozhuang) International Lithium Battery Industry Expo.

Standard formulation: The Company actively participates in the formulation of standards. During the reporting period, the Company participated in the formulation of 14 national-level, industrial-level, and group-level standards.

Name of Standard	Type of Standard	Mode of Participation
Occupational Qualifications of Battery Maintenance Engineers	National-level	Participate in formulation
Calibration Planning for Vehicle Power Batteries Thermal Runaway Testing Machines	National-level	Participate in formulation
General Rules for the Screening of Restricted Substances in Electrical and Electronic Products - X-ray Fluorescence Spectrometry	National-level	Participate in revision
Safety Regulations for the Storage and Use of Lithium-ion Batteries	Local-level	Lead in formulation
Management Regulations on Technologies for the Operation Safety of Electric Vehicles	Local-level	Participate in formulation
Portable Photovoltaic Battery Standard	Industrial-level	Participate in formulation
Technical Specifications for the Evaluation of Green-designed Products: Lithium-ion Batteries	Group-level	Lead in formulation
Accounting Requirements for Greenhouse Gas Emissions of Waste Battery Pretreatment Enterprises	Group-level	Participate in formulation
Technical Requirements for Marine Power Lithium-ion Batteries	Group-level	Participate in formulation
Electrochemical and Safety Performance Requirements and Testing for Lithium-air Batteries	Group-level	Participate in formulation
Carbon Footprint Evaluation Standards for Product Labeling and Certification in the Guangdong-Hong Kong-Macao Greater Bay Area	Group-level	Participate in formulation
Technical Requirements and Test Methods for Measuring Temperature Sensors of Energy Storage Lithium Batteries	Group-level	Participate in formulation
Technical Standards of NTC Temperature Sensors for Electric Vehicle Thermal Runaway and Thermal Management Systems	Group-level	Participate in formulation
Technical Specifications of Automotive-grade Energy Storage NTC Thermistors on New Energy Vehicles	Group-level	Participate in formulation

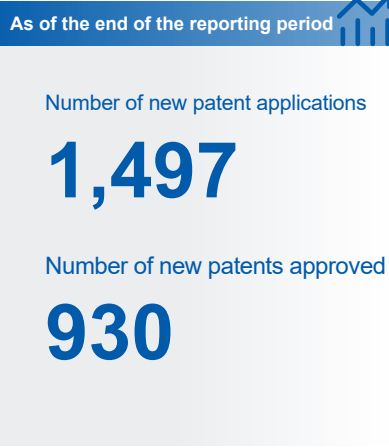
The Company participated in the revision of standards during the reporting period

Intellectual Property Rights

Sunwoda not only values the protection of its own intellectual property rights and business secrets, but also respects the intellectual property rights and business secrets of others. The Company has formulated a series of institutionalized documents such as the *Management Regulations on Intellectual Property Rights*, the *Management Regulations on Intellectual Property Personnel*, and the *Management Regulations on the Patent Application*. Also, some documents are being formulated, including the *Management Regulations on Intellectual Property Risks*, the *Management Regulations on Trademarks*, and the *Management Regulations on the Internal Review of Intellectual Property Rights*. During the reporting period, the Company added content about patent implementation, license, and intellectual property reminders for separated employees, revised content about the reward for inventors, and developed provisions on intellectual property background investigation and statement in the *Management Regulations on Intellectual Property Rights*.

As of the end of the reporting period, 3 subsidiaries of the Company received certification of the intellectual property management system. The Company also succeeded in the application for establishing a practice base of examiners from the China National Intellectual Property Administration.

To avoid infringing on the rights and interests of others, the Company performs risk investigations during the research and development process and the publicity process and before product sales, and develops intellectual property protection or violation prevention plans. In addition, the Company carries out special training for researchers, developers, and intellectual property personnel to develop their awareness of intellectual property rights.



Information Security

Adhering to the management concept of network environment security and information security characterized by "improving information security awareness, implementing information security control, reducing information security risks, and ensuring business continuity and stability", Sunwoda has set up an information security management organization to promote the construction of a management system, a technical system, and a data security protection system in terms of information security. The Company has established the Information Security Organization Committee as its highest decision-making body, which is chaired by the Chairman of the Board of Directors. The Company restructures the safety organizations of all business departments, subsidiaries, and branches down into the six major sectors and eight major businesses of the group to allow for clearly-defined responsibilities and fully-penetrated management. In this way, the information security management will be better implemented to ensure the safe and stable operation of all businesses of the Company. The Company has obtained the ISO 27001 and TISAX certification. The machine room as the carrier of information security management has passed the National Level III MLPS Evaluation. The Company passed the Intelligent Manufacturing Capability Maturity Assessment, of which the Network and Information Security module reached level four.

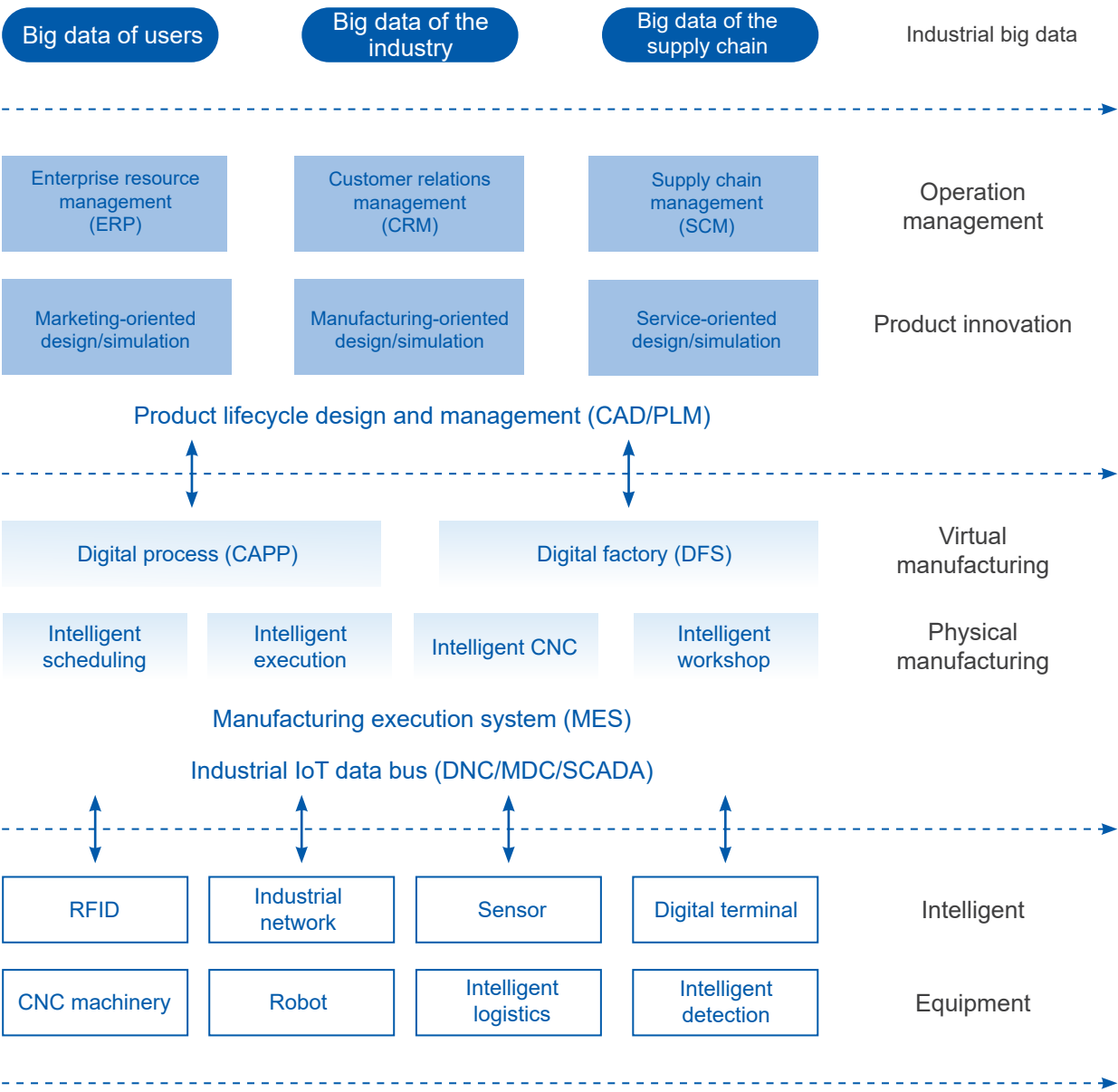
During the reporting period, the Company updated 8 documents including the *Management Regulations on Information Security*, the *Management Regulations on Information Security Incidents*, and the *Management Regulations on the Confidentiality of Information Assets*, and established a group-wide management framework and standards for information security.

In addition to basic data security emergency plans, all business departments of the Company carry out monthly self-inspections and investigations for "network and information security" to guarantee information security. The content of inspection includes office security, industrial control security, information security training, information security incident reporting, and network patrol. The results of self-inspection are reported each month and closed-loop management is applied to the issues discovered. During the reporting period, the Company completed 2 internal audits of information security to ensure the effectiveness of the information security management system. The Company also provides information security training of various forms, including email push, offline empowerment sessions, video-based micro-lectures, and message push, etc.





Digital Construction

Digital transformation has become a national strategy in this information era. The next-generation digital technology represented by artificial intelligence will become a critical technical support and a core driver to boost the high-quality economic development of China during the "14th Five-year Plan" period. By following the concept of "Made in China 2025", Sunwoda makes plans based on hierarchies, modules, and platforms, and coordinates the construction of the equipment level, sensing level, network level, logistics level, and information level. The purposes are to make key production and operation data collectible, displayable, and traceable, establish a new industrial operation system and industrial APP application mode, and form a volume of scalable and reproducible industrial application modes with independent intellectual property rights that technologically lead the globe.



In order to better reduce costs and enhance efficiency, and adapt to changes in users' needs and in a market for products and services, the Company, by combining with the actual operation conditions, allocates resources reasonably and comes up with many featured solutions to the digital transformation of intelligent manufacturing and industrial collaboration.

 Name	 Solution	 Key Result
Manufacturing Execution System (MES)	Focus on solving issues in product traceability, material control, quality control, process control, test data collection, and work-in-progress inventory management	The number of manual operations decreased from 28.94% to 10.06%
Material Pulling System	An intelligent production material distribution management system based on lean production and agile manufacturing	Avoid manual shifting of materials in the workshop, and achieve 100% data consistency between accounts and materials
Quality Management System (QMS)	Establish an integrated and unified quality system application and data analysis and traceability platform for the Company	The traceability efficiency of quality issues increased by 54.23%
Asset Management System	Solve the consistency problem between assets and ledger accounts	The utilization rate of idle assets increased by 24%
Customer Relation Management System (CRM System)	A system used to manage, maintain, and improve relations with upstream suppliers, provide convenient and efficient collaboration, and reduce procurement costs for the Company	More than 15 million of procurement cost saved each year
Supplier Relation Management System (SRM System)	Focus on solving issues in market management, customer management, sales process management, and after-sales service management	The average order response time does not exceed 2 hours and the fault resolution rate is 93% , greatly enhancing the satisfaction of customers

Shouldering Environmental Responsibilities and Protecting the Homeland

Sunwoda always attaches great importance to green and sustainable development during the operation. By applying an environmentally friendly production and operation mode, the Company actively adopts innovative green technologies, takes all-around actions in energy reduction, pollution prevention, and water resource management, and contributes to a sustainable future.

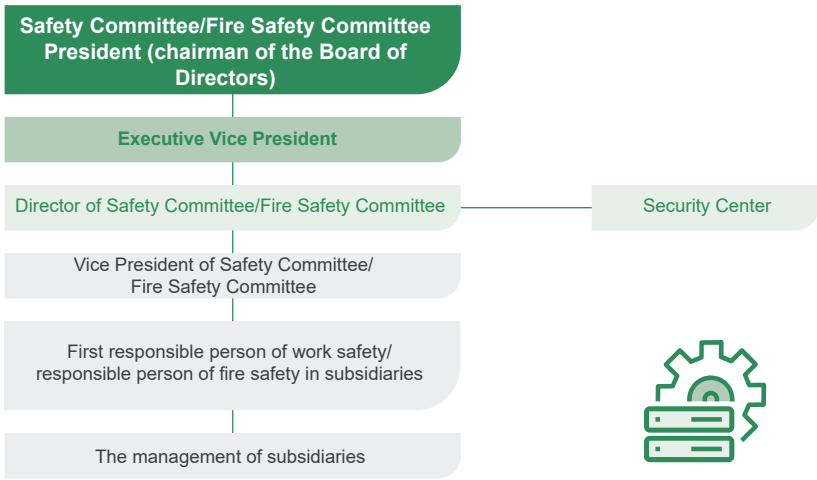
- EHS Management System
- Environmental Management
- Green Production
- Green Development

Contributions to SDGs:



EHS Management System

Sunwoda adheres to the EHS policies of "law observation, pollution prevention, human-based approach, safe operation, energy reduction, and continual improvement". The Work Safety Management Committee (hereinafter referred to as the Safety Committee), chaired by the Chairman of the Board of Directors, is responsible for work safety, fire control, and environmental protection. Heads of all business units form the senior management. General managers of all subsidiaries are members. The Company will continuously improve the environment and occupational health management system and regularly review EHS policies, targets, and indicators, so as to accomplish the environment, occupational health, and safety management performance throughout the Company.



Organizational structure and duties of the Work Safety Management Committee

Responsibilities of Work Safety Committee (including fire safety, special equipment, environmental protection, occupational hygiene, and security):

- 1 The Work Safety Committee is the highest decision-making organ of the Company in terms of work safety. It is responsible for the comprehensive management of the Company's work safety activities.
- 2 The Committee shall conscientiously implement the *Work Safety Law of China*, the *Fire Control Law of China*, the *Special Equipment Safety Law of China*, the *Environmental Protection Law of China*, the *Law of China on Prevention and Control of Occupational Diseases*, the *Public Security Administration Punishments Law of China*, as well as the requirements of superior departments specified in documents, principles, and policies regarding work safety, fire safety, special equipment safety, environmental protection, occupational health surveillance, and security management.
- 3 The Committee shall define the Company's safety management system and the safety responsibilities of personnel at all levels, assume the primary responsibility and supervisory responsibility of the Company for internal work safety, urge the first responsible person of work safety to well perform his/her duties assigned to him/her, and apply an all-covered work safety accountability system in which the heads of production and business must also take the responsibility of safety.
- 4 The Committee shall construct a safety culture for the Company and create a concept of advanced safety. The Committee shall determine the Company's overall objective and plan of work safety.
- 5 The Committee shall organize the review of the Company's work safety rules and regulations, including the post accountability system, the capital, equipment and facilities guarantee system, the risk and hidden danger investigation and management system, the work safety education and training system, and the assessment-based reward and punishment system.
- 6 The Committee shall establish and improve a safety management organization, and be staffed with work safety management personnel.
- 7 The Committee shall formulate annual work plans to ensure work safety investment each year, and urge all subsidiaries, business units, and factories to implement measures on site, screen out and identify hidden hazards, maintain routine publicity, and perform monthly assessment.
- 8 The Committee regularly organizes safety meetings to study and discuss relevant issues about work safety. Committee meetings can be held in a variety of ways such as a group-wide meeting or individual meetings in different factories or business units.
- 9 The Committee is responsible for summarizing work safety activities and selecting advanced units and individuals in work safety. The Committee shall summarize and promote advanced experiences in work safety, recognize and reward advanced models of work safety.
- 10 The Committee is responsible for investigating and handling work safety accidents, and working out treatment methods for the responsible person.

Compliance with regulations

Obtain applicable laws and regulations and other requirements related to the Company's environmental factors and risk factors, regularly evaluate those regulations and comply with them.

Energy conservation

Carry out energy-saving and consumption-reducing activities among all employees to improve waste recycling and strive to minimize resource consumption.

People orientation

Design a people-centered system that respects, cares about, encourages, and trains employees.

Continuous improvement

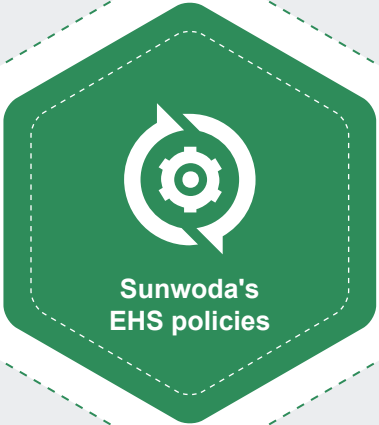
Continuously improve the environment and occupational health management system, and regularly review the policy, objectives, and indicators of environmental safety to achieve the Company's overall performance in environment, occupational health, and safety management.

Pollution prevention

Use processes, practices, technologies, materials, products, or energy to avoid, reduce or control the generation, discharge or disposal of pollutants to reduce or eliminate harmful environmental impacts.

Safe operation

Ensure that the process of production and service provision proceeds in compliance with material conditions and the work order, prevent the occurrence of personal injuries, occupational diseases, or property losses, eliminate or control hazardous and harmful factors, protect personal safety and health, protect equipment and facilities from damage, and the environment from pollution.



Environmental Management

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China* and other laws and regulations related to environmental protection, keeps improving environmental protection policies, optimizes environmental risk control in the production process, and promotes the green concept.

Management System

The Company boasts a complete environmental management system, including the *Environmental Protection Management Regulations* and the *Environmental Pollution Prevention Management Regulations*. In addition, the Company considers the application of green chemistry principles in the design and delivery of new products, including hazardous substance control, RoHS, halogen-free issues, and has formulated documents such as the *Technical Standards for Environmental Management Substances* and the *Hazardous Substances Management Process*. As of the end of the reporting period, 4 environmental protection management regulations and 1 environmental factor identification and evaluation process were added. 15 Sunwoda subsidiaries within the scope of the report passed the ISO 14001 environmental management system certification. No environmental accidents occurred.

Environmental impact assessment (EIA), as a precondition for the environmental protection efforts of enterprises, is the guarantee of legal compliance. The Company will fully consider the impact on the surrounding environment when building or renovating a factory, and formulate an environmental impact report as required by the law. After obtaining the EIA approval, the Company will apply for the pollutant discharge permission according to the nature of the project, prepare the environmental emergency plan, accept environmental protection facilities, and make an announcement on the governmental platform. All EIA reports of construction projects are reviewed by internal environmental protection engineers.

During the operation period of the environmental management system, the Company hired a third-party agency to train internal auditors of the environmental management system. A total of 156 people obtained the certification.



ISO 14001 internal auditor training

During the reporting period

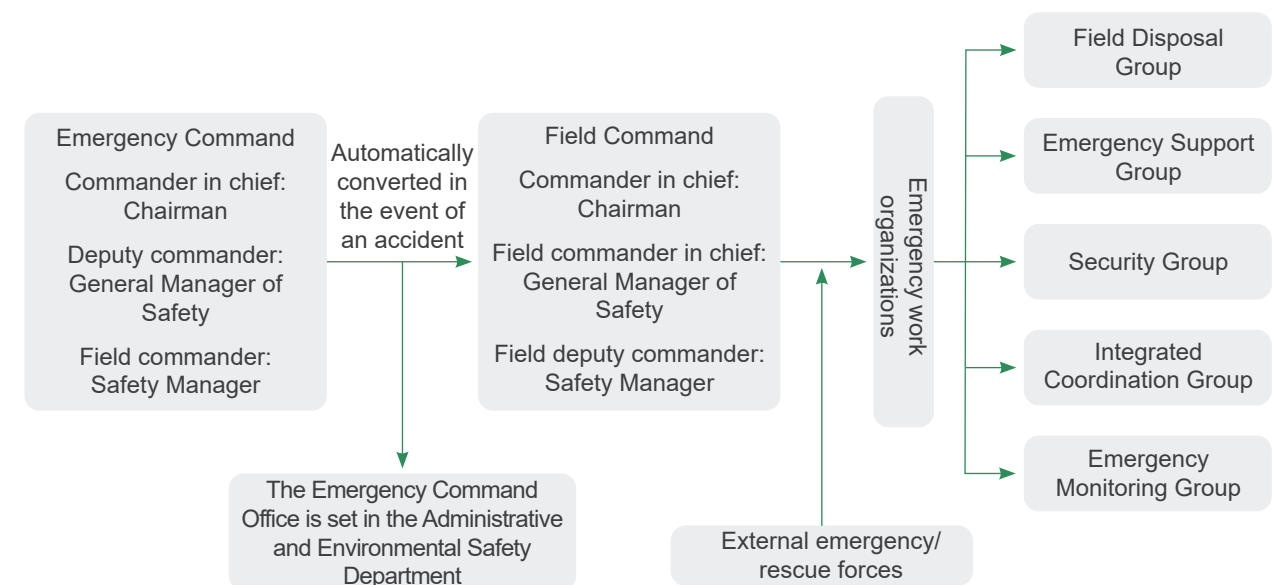
Investment in environmental protection

RMB **65,277,900**



Environmental Emergency Plan

In order to establish and improve the Company's response to environmental emergencies, enhance the emergency handling capability, well handle environmental emergencies in a timely, orderly, and efficient manner, and avoid or minimize casualties, property losses, and environmental damage, Sunwoda has prepared and filed an environmental emergency plan according to the *Guidance of Guangdong for the Technical Evaluation of Environmental Emergency Plans* and the *Method for the Management of Environmental Emergency Plans for Enterprises and Public Institutions*, and reviews the content of those documents once every three years. The environmental emergency plan management system consists of 1 comprehensive plan and 5 special plans, covering chemical pollution incidents, hazardous waste pollution incidents, secondary environmental pollution incidents caused by unexpected fires, unexpected exhaust gas discharge incidents, and soil/groundwater pollution incidents. During the reporting period, 13 environmental emergency drills were carried out in all the parks of the Company, attended by a total of 325 people.



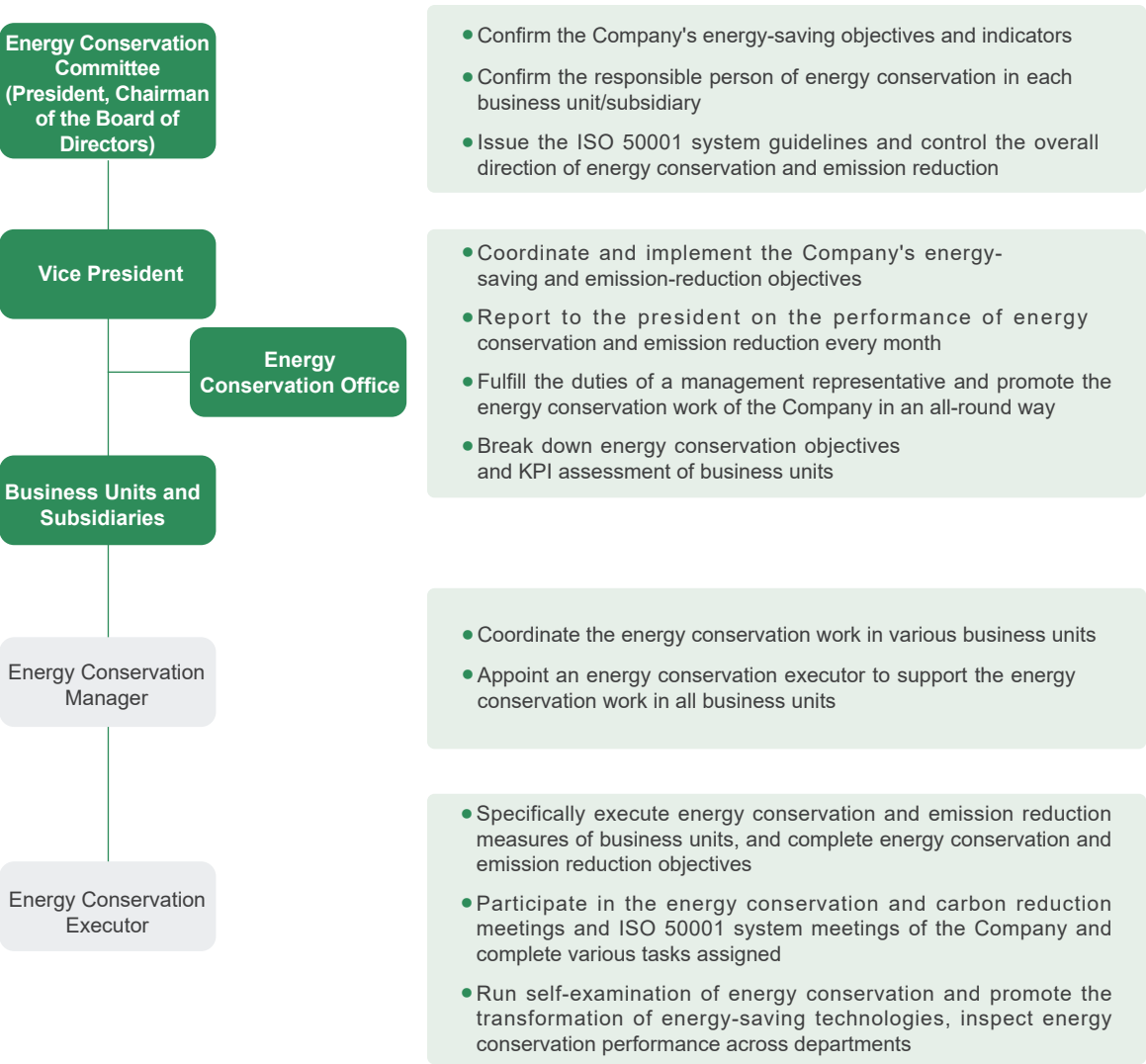
Structure of the environmental emergency team

Green Production

Generally considering the environmental impact of management and activities, Sunwoda is committed to reducing the impact of production and operation on the environment and climate.

Energy Management

Valuing energy conservation and utilization, the Company improves energy efficiency in production and operation and promotes energy conservation management by taking actions in management, technological renovation, energy conservation assessment, and energy management systems. The main power sources of the Company are electricity, gasoline, and diesel. The Company also formulated the *Energy Management Regulations* and established the Energy Conservation Committee chaired by the Chairman of the Board of Directors to effectively implement energy conservation measures. As of the end of the reporting period, Sunwoda and its subsidiaries, totaling 8 companies, within the scope of the report passed the ISO 50001 energy management system certification. The internal and external system audits were completed as scheduled to continuously improve system operation and ensure its effectiveness.



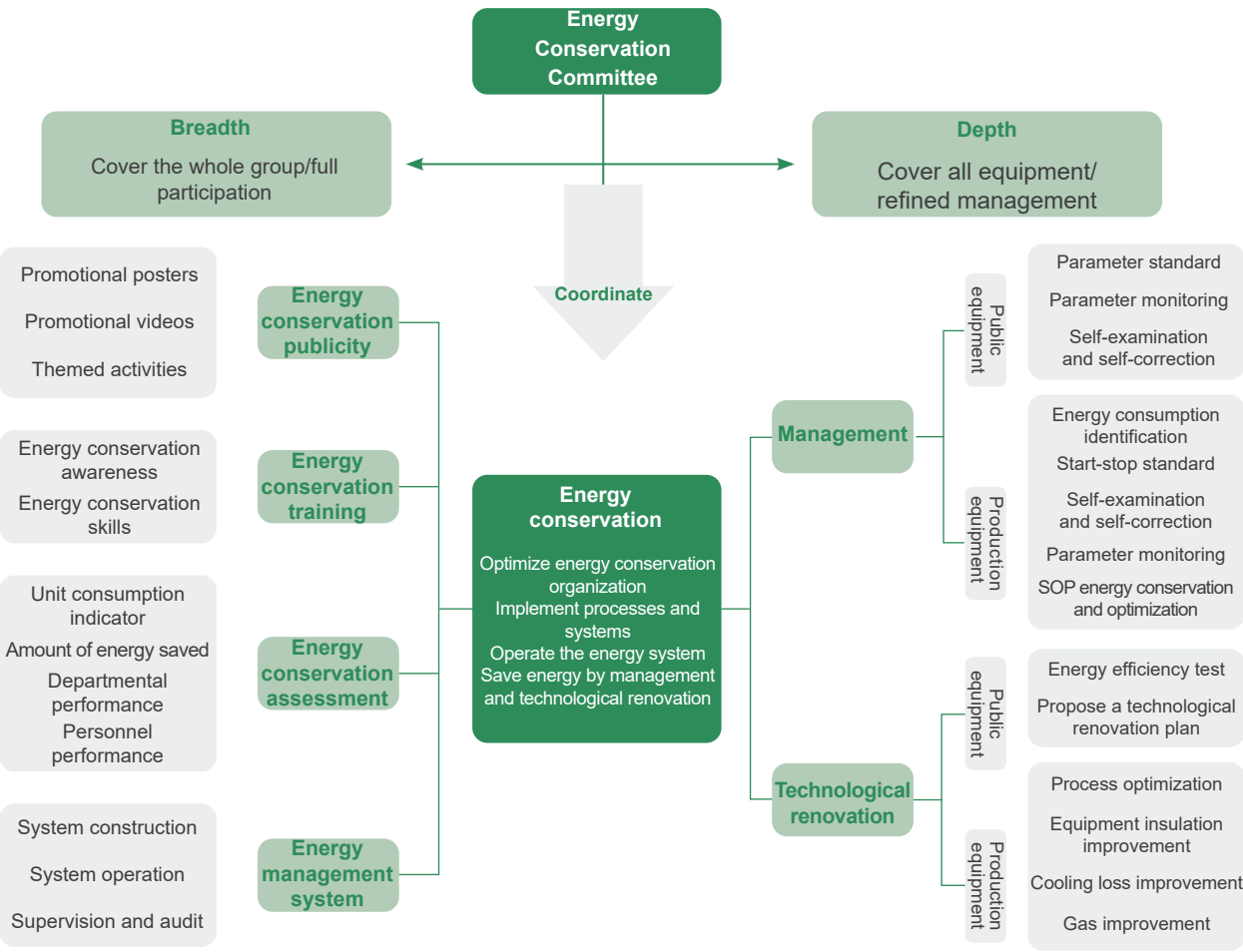
Organizational structure of the Energy Conservation Committee

Energy Type	Unit	Usage in 2022
Electricity	kWh	918,076,832.32
Natural gas	Cubic meter	15,679,081
Steam	Cubic meter	262,371.95
Gasoline	Liter	192,033.15
Diesel	Liter	77,35.97

Energy usage of the Company

Energy Conservation Actions

During the reporting period, the Company took energy conservation measures in management, technological renovation, energy management systems, energy conservation assessment, energy conservation training, and energy conservation publicity. The annual energy conservation work direction was also developed to promote energy conservation management in an all-around and refined manner.



Energy conservation work direction of 2022



Energy conservation training	Energy conservation training is carried out to improve the energy conservation level. For example, the Energy Conservation Committee regularly organizes training sessions to improve energy conservation skills, management-based energy conservation capability, and energy management systems in the Company, cultivate internal auditors for energy management, and provide onboarding training for new employees.	The three-level education and training system has been completed at 9 parks and 16 business units & subsidiaries.
Energy conservation publicity	The Company organizes multiple energy conservation publicity campaigns of various forms, including knowledge promotion, dissemination, renovation proposals, and prize-winning quizzes.	30,000 employees participate in the events and their awareness of energy conservation is effectively improved.

Energy conservation actions and results in 2022

Case

"100-day Energy Conservation Campaign"

During the reporting period, the leading group and the executive group of the "100-day Energy Conservation Campaign" supervised the energy conservation work of all parks, business units and subsidiaries; worked with relevant departments of subsidiaries/business units to rapidly spot areas of improvement in production sites, equipment, and processes by means of "routed inspection", "identification of areas of improvement (production and facilities)", and "workshop check". 1,611 areas of improvement were discovered to save RMB 12 million each year, and 1,198 of them had been improved by February 2023.



"100-day Energy Conservation Campaign" special action

Use of Clean Energy

To alleviate the reliance on fossil energy and accomplish the "dual-carbon" goal, Sunwoda expands the use of clean energy. The Company has installed photovoltaic power stations in the Yuzhou Park in Henan, the Guangming Park in Shenzhen, and the Boluo Park in Huizhou, with a total installed capacity of 67.42 MW. The total generation capacity is 75,655.39 MWh during the reporting period.

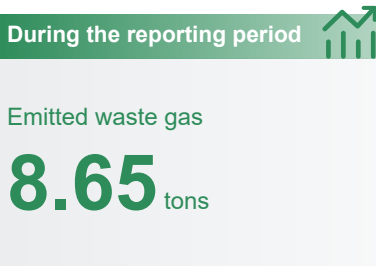
Photovoltaic Power Station	Installed Capacity	Generation Capacity
Yuzhou in Henan	50 MW	63,305.64 MWh
Guangming in Shenzhen	500 kW	450.49 MWh
Buolo in Huizhou	12 MW	11,899.26 MWh

Pollution Prevention and Control

Sunwoda promises to strictly abide by the relevant laws and regulations on pollution discharge management, continues to improve and perfect the management of "three wastes" (waste water, waste gas, solid waste), and takes active measures to reduce the discharge of three wastes. The *Environment, Health, and Safety Manual* and the *Target Indicator Management Regulations* of the Company clearly define the formulation process, communication, and response implementation of environment and safety goals. The Company also developed the *Implementation Rules for the Control of Waste Gas, Waste Water, and Rainwater*, the *Implementation Rules for the Control of Solid Waste*, and other documents, and keeps intensifying the management of these documents by regularly reviewing them. We passed the audit and acceptance of clean production during the reporting period.

Waste Gas Emission Management

The main gas emissions of the Company are nitrogen oxides, sulfur oxides, particulate matter, non-methane total hydrocarbons, and volatile organic compounds. During the reporting period, the Company enhanced the processing and treatment efficiency of pollution control facilities and effectively reduced the discharge of pollutants by gradually replacing highly-polluting raw and auxiliary materials with less-polluting ones, increasing the frequency of activated carbon replacement, and adding the deodorization treatment process at sewage stations.



Case Renovation of the liquid injection waste gas treatment facility

On the premise of meeting the emission standard, the Company modified and improved the existing liquid injection waste gas treatment facility by replacing water spray with lye spray and replacing UV photolysis + small activated carbon with a dry activated carbon integrated machine. After the renovation, the VOC emission is reduced by 0.29 tons each year, with an emission reduction rate of 48.7%.



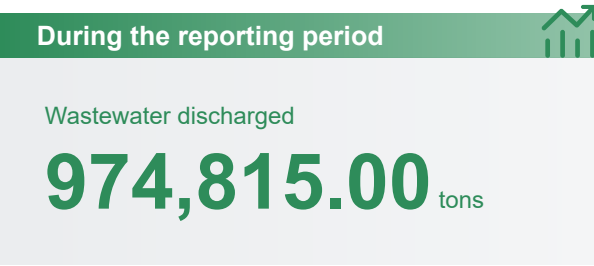
Adding an activated carbon adsorption box



Renovating the spray device

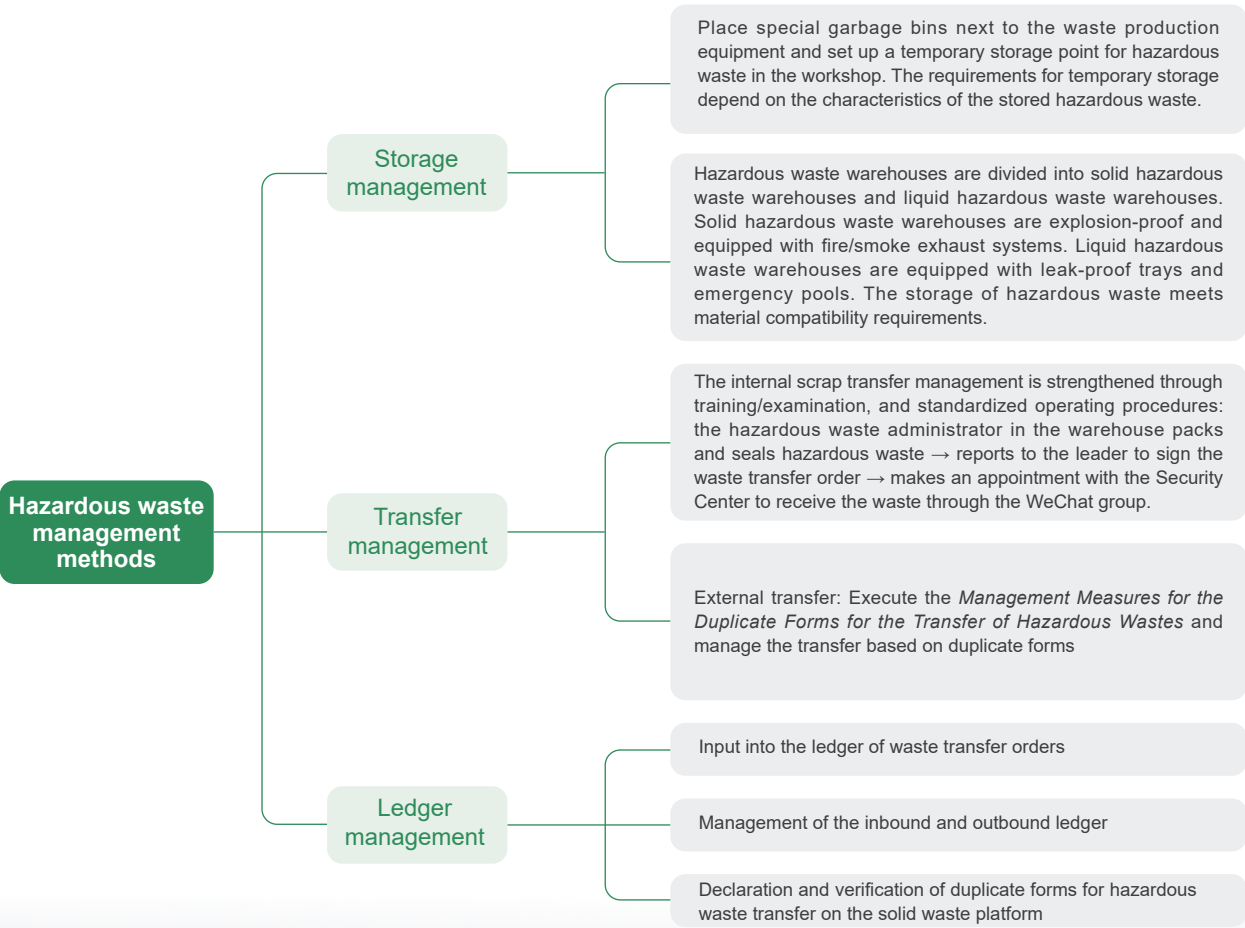
Wastewater Discharge

Industrial wastewater discharge is not involved in 3C battery/energy storage product/PCB processing and manufacturing plants; power battery plants are equipped with their own sewage treatment stations to collect 100% production and domestic sewage. The compliance rate of effluent quality is 100%. At present, Boluo Park has its own domestic wastewater station, industrial wastewater station, and reclaimed water room. Industrial wastewater is reused as the supplementary water for air-conditioner cooling towers after being treated by the industrial wastewater station and the reclaimed water facility in the park, so that no industrial wastewater is discharged into the environment. Domestic wastewater is reused for watering green landscapes and flushing toilets after being treated by the domestic wastewater station in the park.



Solid Waste

The Company has achieved the UL2799 Zero Waste To Landfill Platinum Operations, committing to reduce the generation of solid waste during the operation. The solid waste of the Company is mainly divided into general waste, domestic waste, and hazardous waste. General waste is sorted in the factory and then collected and disposed of by the resource recycling plant. Domestic waste is disposed of by the local environmental sanitation department. Hazardous waste is subject to a hazardous management system required by laws and regulations, which shall clearly specify the requirements for waste collection, storage, transportation, and treatment. Also, hazardous waste must be handled by a qualified hazardous waste treatment agency. During the reporting period, the Company signed a recycling contract with a renewable resource recycling company to recycle waste batteries and waste raw materials in the production process, thus laying a foundation for the subsequent development of the circular economy.



Hazardous waste management methods





Training on standardized management of hazardous waste

General waste 2022	
Production	2,868.61 tons
Recycling	2,669.32 tons
Hazardous waste 2022	
Production	1,231.86 tons
Recycling	6.7 tons
Cyclic utilization	304.89 tons
Landfilling	35.52 tons
Incineration	801.86 tons
Others	113.56 tons

Water Resource Management

Attaching great importance to the water resource issue, the Company has promised to reduce the use of water, and has formulated the *Management Regulations on Water Conservation*. Every year, the Company develops a water conservation plan and facilitates the water conservation work based on the PDCA principle. The water source of the Company is the municipal waterwork.

During the reporting period

Water consumption

3,319,597.00 tons

Project	Content
Improvement of water-saving appliances	Before the improvement, the water flow of the previous faucet was too large, causing a serious waste of water resources. The Company installed water-saving devices on 248 faucets in Guangming Park and Shilongzai Park, expecting to save 7,174.64 tons of water every year.
Reuse of RO concentrated water	Before the improvement, the RO concentrated water was directly discharged to the sewer well while the cooling tower is replenished with tap water. The Company stopped replenishing the cooling tower with tap water and renovated the water pipeline and the water level controller. All the RO concentrated water is reclaimed to replenish the cooling tower, expecting to save 4,365 tons of water every year.
Water balance test	The Company hired a third-party agency to formulate the <i>Water Balance Test Report</i> , improved the number of water meters in the municipal pipe network of the factory and the drawings of the main pipes of the water network according to the requirements, and made improvements and updates in time. Now the energy monitoring system can monitor the use of water every day, identify abnormalities in time, and reduce the possibility of water leakage.

Water-saving projects in 2022

Green Operation

Sunwoda implements the concept of being "green, low-carbon, environment friendly, and economical" in routine work, and encourages employees to practice the environmental protection concept in daily life and make their office eco-friendly. The Company has formulated the *Individual Energy Conservation Management Regulations* to improve employees' awareness of energy conservation, standardize their energy conservation behaviors, and create a green workplace. In addition, the Company continuously carries out promotional and charitable activities to promote the environmental protection concept from the inside to the outside and advocate a green lifestyle.

Case Improvement of standardized management for the switch of direct drinking water purifiers and water dispensers

The direct drinking water purifiers and water dispensers in the production workshop and the office are always powered on to heat and cool water. There are no on/off standards available, which causes waste. The Company has formulated the *Water Dispenser On/Off Standards*, and requested all its employees to implement the document. The Security Department performs irregular inspections to improve the energy conservation awareness for all employees.

Case World Environment Day

With the theme of "Let Us Sort and Reduce Garbage to Build A Clean and Beautiful World", the Company conducted a random quiz and fun game about garbage sorting to publicize related knowledge. Nearly 4,000 people attended the event.



Garbage sorting publicity

Social Responsibility and Value Development

Sunwoda never stops making breakthroughs in its own business sectors and continues to launch premium products. The Company values the protection of customers' materials and privacy, and provides satisfactory services to create greater value for them. Meanwhile, as a responsible employer, the Company respects its employees and is committed to creating a diversified, fair, safe, and healthy workplace. The Company brings together resources to carry out its social responsibilities in poverty relief, education support, patient care, medical assistance, and disaster relief.

- Product Quality
- Customer Service
- Happiness in the Workplace
- Occupational Health and Safety
- Sustainable Supply Chain
- Community Investment

Contributions to SDGs:



Product Quality

Sunwoda's quality strategy:

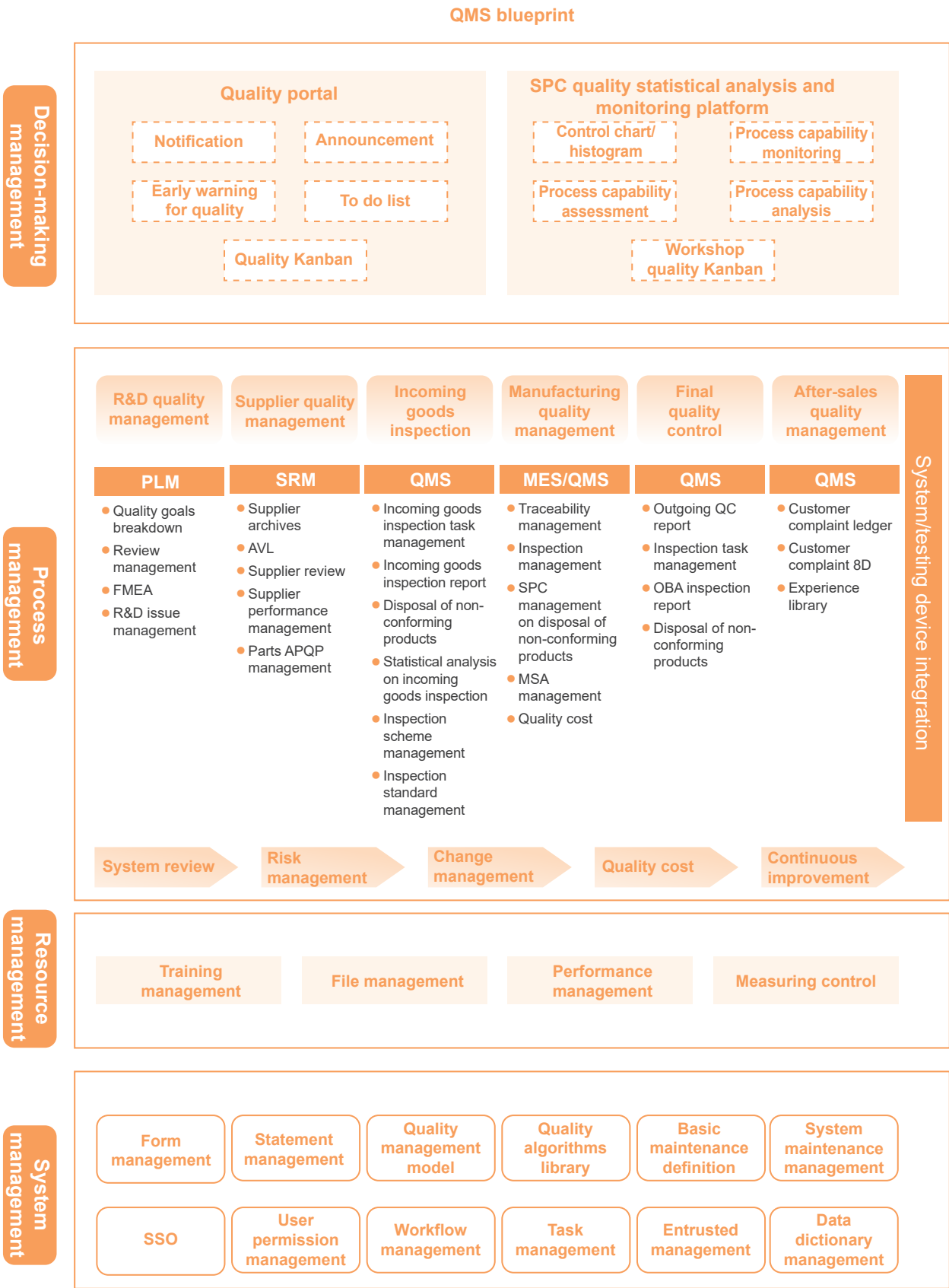
Focus on quality construction around customers; adopt a quality-first strategy that takes quality as the lifeline; perform lean manufacturing and pursue zero defects to make the Company represent quality in the lithium battery industry.

Quality Management System

The Company has established a quality management system that is strictly observed in the whole process of material procurement, product design and development, production, and after-sales services. Devoted to the goal of zero defects on products, the Company provides customers with outstanding products. Every year, the Company completely reviews the quality management system according to the *Quality and HSF Manual*, the *Management Regulations on Internal Audit*, and other regulations, and takes immediate measures to ensure the effectiveness of the system. Its quality management system has been certified by third-party quality systems in a row, including the ISO 9001 Quality Management System, the IECQ QC 080000 Hazardous Substance Process Management System, the IATF 16949 Automotive Quality Management System, and the VDA system certification. During the reporting period, the conformity rate of products in all business units of the Company was nearly 100%, no product was recalled due to quality defects, and no event that affects consumers' life safety was reported.

Quality improvement

The Company has established a complete and mature management system and procedure that can manage routine affairs with "three rates" (completeness rate, improvement rate, compliance rate), analyze various procedures, and output key improvement measures based on business pain points. In terms of on-site implementation, the Company has set up a special inspection organization and organized standard teach-ins to improve the capability of observing and managing standards and procedures on site. Besides, the Company has built an industrial platform and an automated information platform and established the QMS quality management system to improve on-site quality management capability. By electronizing quality procedure documents, informationizing procedure records and data, performing procedure data analysis and excavation, collecting data from production and testing equipment, and comprehensively analyzing procedure capabilities and trends, the Company has enabled system management and IT integration management, thus providing a strong technical support for the electronization of quality information and the improvement of quality management.



Hazardous substance management

The Company insists that all products must meet environmental protection requirements and standardizes the control of harmful substances in the process of raw material procurement, new product development, manufacturing, packaging, storage, and transportation, so as to ensure that the products do not contain prohibited harmful substances. To this end, the Company sets up posts for environmental protection specialists on the supply chain to review the composition of materials provided by suppliers and necessary third-party testing reports (including but not limited to RoHS, REACH, and halogen-free issues). Besides, the X-ray fluorescence (XRF) test is performed on the incoming materials of suppliers to ensure that their products satisfy international and industrial environmental protection laws and regulations as well as environmental protection requirements of customers and the Company.

Quality Culture

The Company continuously carries out and fully promotes the construction of the quality culture by means of quality publicity, quality activities, quality improvement, quality knowledge popularization, and quality brand building.

Work	Content
Quality publicity	• Widely publicize the awareness of quality in the forms of promotional manuscripts, poster slogans, and high-quality tweets.
Quality activities	• Organize quality contest, quality benchmark evaluation, and Quality Month events.
Quality improvement	• Organize QCC training, Six Sigma certification, and proposal improvement activities, which are attended by nearly 3,000 people. The purpose is to "involve all employees for continuous improvement".
Quality knowledge popularization	• Develop quality courses covering live-streaming, lectures, and supervisor training, etc.; participate in the development of the Professional Skills Standards of Quality Inspectors.
Quality brand building	• Obtain 2 gold awards and 3 silver awards in the Quality Control Circle (QCC) Contest organized by Shenzhen Association for Quality. • Outstanding Result of the National Light Industry Quality Management Team. • Third Prize (First Prize of the Structural Component Group) in Xiaomi 2nd QCC Event.



The 10th Result Presentation Conference of the National Outstanding Quality Management Team



Lean Six Sigma of Sunwoda

Customer Service

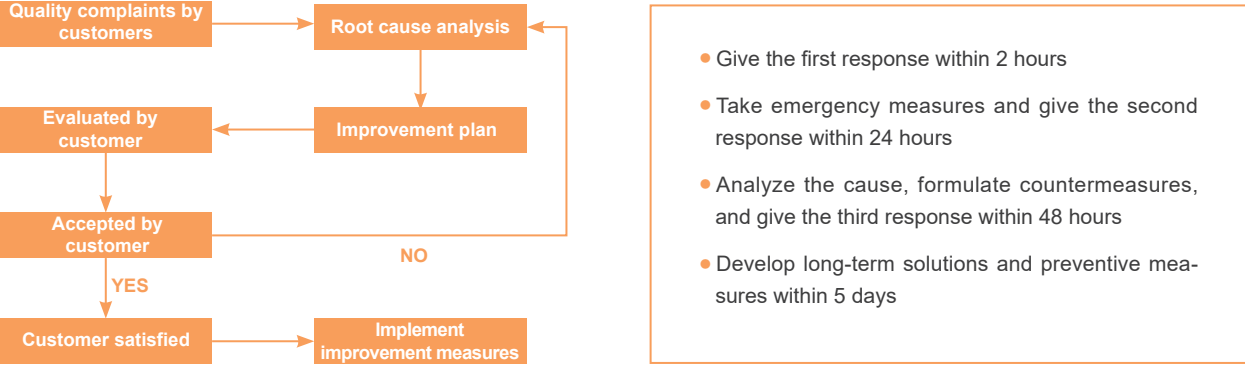
Customer service concept:

Creating value for customers, conducting self-criticism, being honest, dutiful, passionate, and enterprising, and valuing teamwork.

With a sophisticated customer service system, Sunwoda sorted out and improved the *Customer Relations Management Regulations*, the *Customer Satisfaction Management Regulations*, the *Customer Complaints Handling Procedure*, and other procedural nodes during the reporting period. Having developed the *Customer Relations Management Regulations* to define the duties and procedures of developing and maintaining customers, the Company centers on customers by fully listening to their voices and maintaining sound customer relations by various means, including market surveys, exhibitions, visits, customer meetings, customer satisfaction surveys, customer emails, Internet interactions, and complaint handling. In addition, the Company promotes the customer service concept to customer service personnel irregularly or in monthly meetings to enhance the team's awareness of responsible marketing and improve customer service quality.

Customer Complaint Management

The Company has formulated the *Customer Complaints Handling Procedure*, allowing customers to submit their feedback and opinions by email, telephone, WeChat, or face-to-face meetings. The settlement of questions is subject to the "2458" response principle. During the reporting period, the Company solved 100% of complaints.



Customer complaint handling procedure

Customer Satisfaction Survey

To enhance communication with customers, understand their demands, and improve products and services, the Company has formulated the *Customer Satisfaction Management Regulations*, regularly conducts customer satisfaction surveys that cover engineering support, execution intensity, quality control, technological innovation, and social responsibility. The Company also issues the *Rectification and Prevention Report* based on the survey results and assigns reports to specific persons to solve problems for customers effectively.

Customer Information Confidentiality

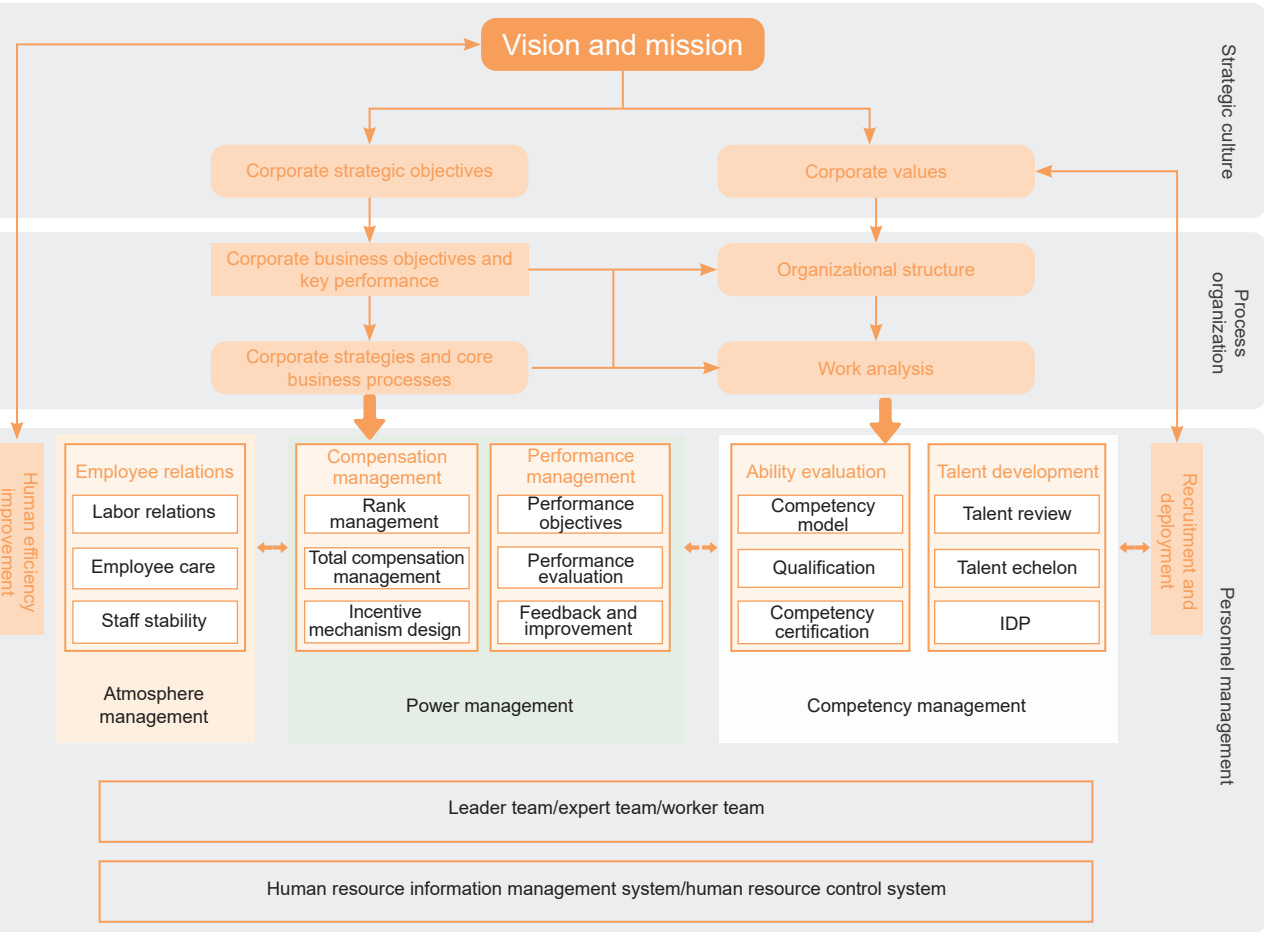
The Company strictly abides by confidentiality agreements signed with customers, clearly specifies the importance of confidentiality awareness for employees in the *Management Regulations on Business Ethics*, requires involved employees to attend training on information confidentiality and sign confidentiality agreements with customers and the Company simultaneously. Specialized information protection measures are established to protect customers' materials to avoid information sharing among different projects. Some customers are also provided with independent production areas.



Independent production area

Workplace Wellness

The Company always insists on the talent concept that "takes value creation as the top priority". To practice the concept in the management of various systems, components, and modules, the human resource management system links up strategic culture, process organization, and personnel management. After talents are recruited, the Company leverages its salary management system and the performance management system to motivate employees to create higher value; and relies on its competence evaluation and talent development system to improve their skills and capabilities. The Company also holds various employee care activities to create a healthy and happy workplace. The Company aims to increase the human capital throughout the entire process of talent management.



The Company's human resource management system

Employees' Rights and Interests

Employee employment

The Company strictly abides by relevant laws and regulations, formulates and improves human resource management systems and documents, standardizes the recruitment and dismissal procedure, and prohibits all discrimination based on race, color, religious belief, gender, age and place of origin. The Company respects all human rights stipulated in the *Universal Declaration of Human Rights*, the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*, and the *International Covenant on Civil and Political Rights*, prohibits human trafficking and slavery, and integrates them into daily processes and policies. Meanwhile, the Company respects and protects the legitimate rights and interests of its employees and signs labor contracts with 100% of its employees.

Sticking to the principle of "fairness and justice", the Company has developed the *Recruitment Management Regulations* and the *Regulations on the Protection of Child Laborers, Underage Workers and Female Employees* to prohibit the employment of child labor, ensure equal job opportunities for women and the disabled, and oppose all forms of employment discrimination. The Company attracts and hires employees through social recruitment and campus recruitment. Social recruitment includes internal recommendations, external recruiting websites, special job fairs, talent markets, and talent outsourcing. Campus recruitment is used as an important source of talent reserves. Positions for campus recruitment include morning stars and reserve technical talents. During the reporting period, the Company admitted more than 800 new employees through campus recruitment. More than 2000 college students who will graduate in 2023 were already recruited by the Company in the Autumn Job Fair in 2022.



If recruitment of child labor is found, the following remedial measures will be taken:

- 1. The Company will immediately terminate the work of the child laborer and provide free medical examinations. If the child falls ill, the Company will provide free medical services until he/she recovers;
- 2. The Company will promptly contact the child laborer's family or guardian or, if unreachable, the local labor management department in the place where the child laborer's household is registered; investigate and confirm the child laborer's true age/identity and family background and record the information in the *Child Labor Registration Form* and report the situation to the labor bureau; send the child laborer to his/her original place of residence and hand him/her over to his/her parents or other guardians, with all necessary transportation, accommodation, and catering expenses borne by the Company, and help him/her complete the Nine-year Compulsory Education;
- 3. The Company will analyze the reason for the accidental recruitment of child laborers, and take preventive measures.



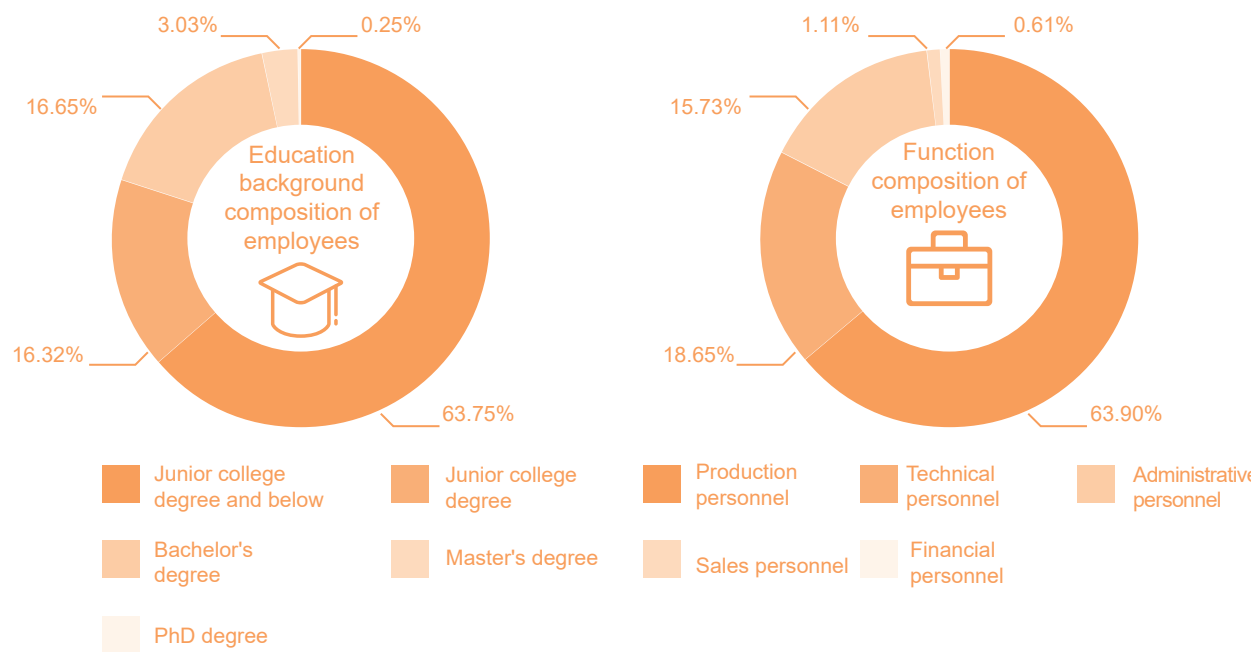
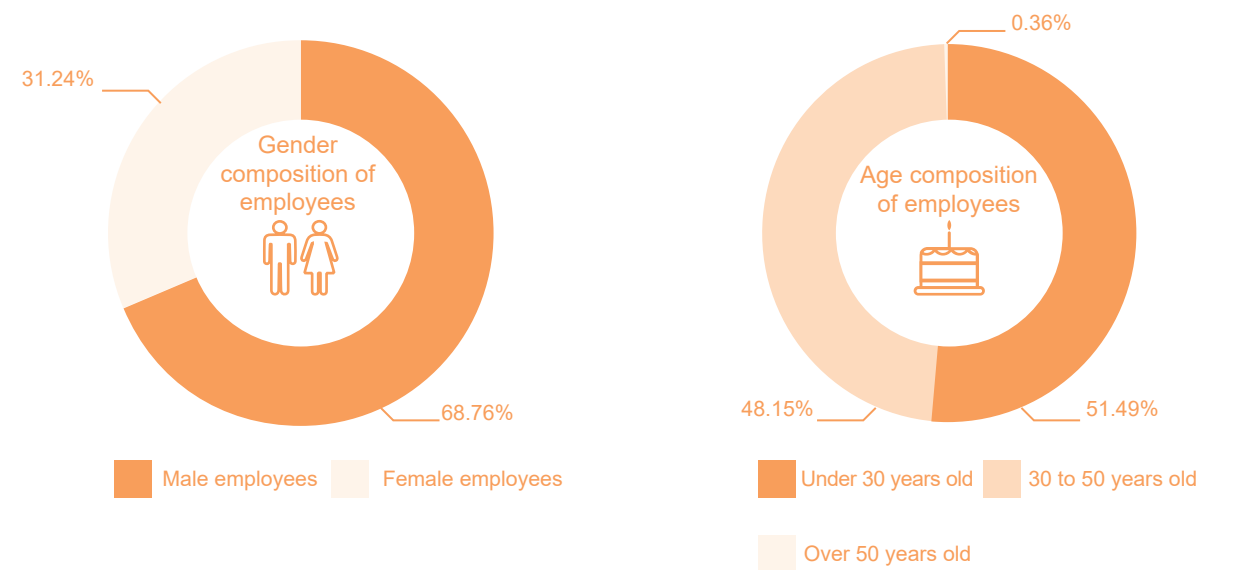
A special teach-in at Xiangtan University



A special teach-in at Guilin University of Aerospace Technology

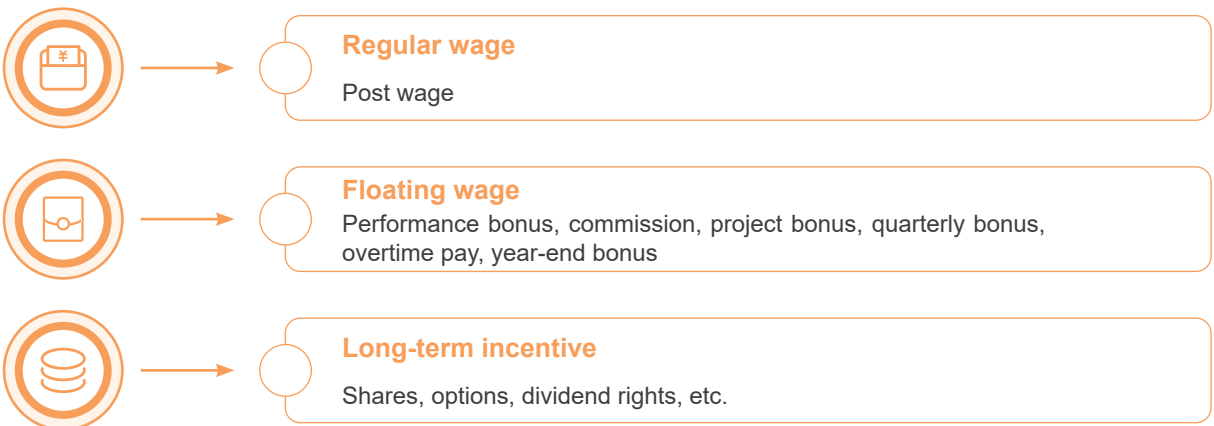
To respond to the Company's strategic planning for the global industrial layout, local talents are recruited for jobs abroad. For job vacancies offered by local industrial parks, local professional HR specialists are equipped to better introduce talents who can adapt to the local business. For jobs abroad, the Company seeks to find the most suitable candidates for the jobs offered. The Company recruits employees in China first, and after they familiarize themselves with the new jobs, the Company will send them abroad. During the reporting period, the Company recruited 32 overseas employees.

As the provincial-level exemplary employment and poverty-alleviation base, the Company actively implements supporting measures and assumes its social responsibility of promoting employment. During the reporting period, the Company recruited more than 50 new employees from poverty alleviation programs. Meanwhile, efforts are taken to promote national unity through recruitment, with 10,826 people from ethnic minorities hired.



Salaries and benefits

In order to align the employees with its strategic goals and business goals and to fully exert the advantages in human resources, the Company has formulated the *Remuneration and Benefit Management Regulations* while strictly abiding by relevant laws and regulations. In addition, the Company maintains a scientific performance management mechanism, applies a performance management approach taking into account both the key performance indicators and the core abilities, and manages salaries and remuneration reasonably, so as to continuously improve the Company's operation efficiency and performance.



The Company's salary management system

Based on an in-depth understanding of the market situation and employees' economic demands, as well as the financial growth each year, the Company adjusts the salaries of its employees scientifically to ensure that they have higher wages compared with its peers in the industry. The Company provides its employees with statutory "Five Insurances and One Housing Fund" and protects its employees' right to rest and vacation according to law. During the reporting period, the Company bought life insurance to cover all employees and raised the limit of commercial insurance to further enhance and protect the benefits of employees. Also, parental leaves and nursing leaves were provided for employees. During the reporting period, the proportion of social insurance coverage was 100%.

Case Employee stock ownership plan

To fully motivate the working enthusiasm from senior managers and backbone employees, the Company has stepped up the equity incentives and the employee stock ownership plan. During the reporting period, in addition to the regular equity incentives, the Company also introduced new equity incentive methods, with mid-term and long-term equity incentive programs covering nearly 90% of superior managers and professional backbone employees.

Incentive Type	Granted/unrestricted	Time	Incentive Outcome
Restricted stock of 2019 (first issue)	Unrestricted	January 2022	1,224 employees incentivized and 10,531,080 shares unrestricted
Restricted stock of 2019 (reserved)	Unrestricted	September 2022	246 employees incentivized and 3,014,000 shares unrestricted
Employee stock ownership plan of 2022 (third issue)	Granted	February 2022	1,394 employees incentivized
Stock options & class II restricted stock incentives of 2022	Granted	February 2022	3,290 employees incentivized

Employee stock ownership plan

Democratic management

In order to promote democratic decision-making, fair and just interest relations, and unity and harmony among employees, the Company highly values internal democratic management and is committed to building a democratic and self-ruled environment and establishing and improving a democratic management system based on the Workers' Congress. More than 10 normative documents involving the vital interests of employees have been deliberated on and approved, covering the draft of collective contracts, regulations on reward and punishment for employees, work safety, and labor protection measures. Those documents are subject to the opinions and suggestions widely solicited from employees as well as the review and approval of the Workers' Congress before implementation, so as to fully protect employees' right to be informed, right to participate, right to be heard, and right to oversee.

Build the "I want to help you 51880" care hotline

Accept employee complaints and suggestions around the clock, help needy employees, and provide legal assistance and psychological counseling.

Open up online/offline information channels

Set up a bulletin board and an official Weibo account for the labor union, a president mailbox, a president hotline, and the corporate WeChat account to receive employees' requests.

Improve the working system

Formulate 11 work systems including the *Work Regulations for Protecting and Safeguarding Employees' Rights and Interests* to ensure that every request for right protection is recorded, replied to, and handled, with every responsible person investigated.

Standardize labor rights appeal mechanism

Establish the Sunwoda Labor Dispute Mediation Committee, the People's Mediation Office, and the Labor Union Legal Aid Workstation to help employees solve difficulties in life;

Regularly carry out special inspections of employment compliance as well as self-examination and self-correction inside the Company to improve compliance capabilities;

Provide adequate labor employment training for the Company to continuously improve the awareness of and response to employment risks.

Regularly sort out employees' appeals

Provide timely feedback for incidents frequently occurring in the cycle and urge responsible departments to make improvement.

Organize democratic management activities

Organize activities such as employee symposiums, labor union service days, and labor union telephone interviews on the care hotline.



During the reporting period



Established 24 grassroots labor union organizations and 470 labor union groups;

Answered 1,787 calls and solved 181 appeals through the "51880 Care Hotline";

Mediated 13 cases of labor disputes, with a mediation success rate of 100%.

Corporate culture

The Company attaches great importance to creating a "spring-rain-typed" and "down-to-earth" corporate culture to enhance the cohesion of employees, enrich their spiritual and cultural lives, and spur their labor enthusiasm and creativity. To adapt to the extensive layout of multiple business sectors, units, and parks, the Company establishes OC teams and sets up corporate culture positions in various subsidiaries and business units to implement the corporate culture in the mode of "decision-making and planning by the headquarters + implementation by business units and regional branches".

Case Treating employees like warm spring breeze

The Company has initiated the employee care program to implement the "Spring Rain Action" from top to bottom. Divided by company-level care and business-unit-level care, the program covers all aspects of employees including their physical needs for necessities and their spiritual and mental needs. The Spring Rain Action was further upgraded in 2022 to maintain and refill our love in life, health, growth, and culture!

Spring Rain Action	Initiative
25th anniversary	<ul style="list-style-type: none">Celebrating ceremonies for the 25th anniversary at all parks to create a festive atmosphere;Online planning of anniversary interactions to deliver festival ceremonies;Planning and publicity of exemplary figures.
Meal subsidy for employees	<ul style="list-style-type: none">Gift on holidays: gifts presented to employees who dine in the canteen on holidays;Gift for empty plates: employees who empty their plates in the canteen are given gifts;Friday discount: 20% discount on dishes every Friday night;Free refreshing or chill-dispelling drink;Quarterly lucky draws.
Spring rain care pack	<ul style="list-style-type: none">Seasonal care: herbal tea in summer and handwarmer in winter
Cultural anniversary gift	<ul style="list-style-type: none">Anniversary gift: different gifts presented according to the anniversary;Marriage and childbirth: special gifts of care.
Physical examination for employees	<ul style="list-style-type: none">Female employees: two free cancer screenings;All employees: special offers of physical examination according to the years of service.
Exercise for all	<ul style="list-style-type: none">30-day sports schedule: Half Marathon Jogging, Let's Exercise Together;Tug-of-war competition: carried out in ten regions;Running, hiking, mountain climbing, and other sports.
Cultural team leader	<ul style="list-style-type: none">Open the complaint channel to allow employees to report any uncivilized behaviors anytime;Evaluation of civilized team leaders based on employee satisfaction, number of complaints, and other indicators.

Spring Rain Action 2022 of the Company



Launching ceremony of the Spring Rain Action 2022



Sunwoda mascot

In order to accumulate and summarize the experience of implementing the corporate culture system, the Company has compiled the *Sunwoda Corporate Culture Manual* and the *Case Collection of Core Values* to promote the core ideology and effectively implement measures for core values promotion, cultural communication, cultural activities, cultural training, and cultural atmosphere creation.

Case The "A Hundred Thanks" event

In the third A Hundred Thanks event of Sunwoda, the Company presented gifts to outstanding employees and employees frequently traveling for work. The event is highly praised by employees and their families while delivering a sense of belonging and recognition to employees.



The "A Hundred Thanks" event

Case The "Mental Health Care" event

Every year, the Company organizes mental health examinations for employees, promotes the "Peace of Mind" program, and delivers care to different groups. For example, the Company records 8 stress-relieving video courses for employees to learn for free, and organizes front-line team leaders and employees to participate in the "employee emotion recognition" and "psychological assessment" events. More than 8,000 employees received the service.



The "Mental Health Care" event

Case The "Goddess Festival" event

The Company organizes the "Goddess Festival" event to show care to female employees. Female employees may attend the lucky draw for iPhone 13, iPad, and other prizes by sharing their screenshots on WeChat Moments and sending them to the Sunwoda Labor Union. 8,938 female employees attended the event and 554 of them won prizes.



The "Goddess Festival" event

Case The "Cool Summer" event

To care about employees by delivering heat-relieving supplies, the Company set up worker service stations in parks to offer herbal tea, drink, heat-relieving medicines, bottled water, and reading materials. A total of 14,000 catties of watermelons and 1,500 cups of herbal tea were delivered. The service brings fresh coolness on summer days and is greatly favored by employees.



The "Cool Summer" event

Case Focus on cultural and sports activities

To enrich the leisure life of employees, the Company organized table tennis competitions and basketball leagues in 2022 to improve the physical condition of employees and arouse their vitality, thus forming a sound atmosphere of cultural and sports activities.



Sports activities

Case The "Free Diagnosis in Health Awareness Month" event

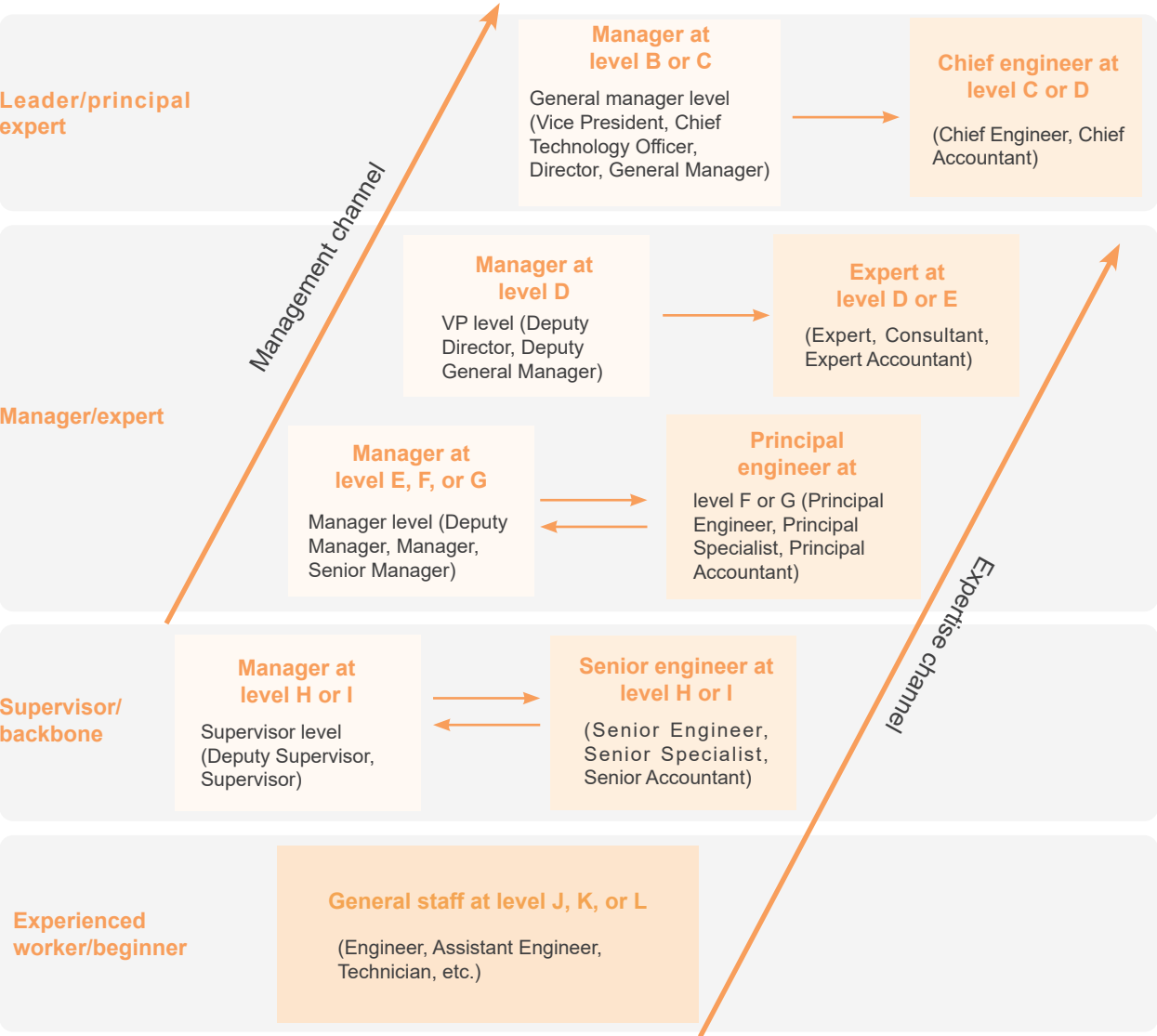
To actively respond to the "Healthy China 2030" plan, alleviate workplace stress, and improve employees' awareness of health, in 2022, the Company invited senior physiotherapists from Guangdong Academy of Traditional Chinese Medicine to hold the second "free diagnosis" event, which includes pulse signals, physiotherapy, gynecology, and blood. Free clinical treatment relating to traditional Chinese medicine and stomatology serves as insurance for the physical health of employees. The event served more than 700 employees and saved about RMB 150,000 of physical examination fees for employees, receiving wide praise from employees.



The "Free Diagnosis in Health Awareness Month" event

Career Development and Training

The Company attaches great importance to the development of talents. To meet employees' development needs and increase enthusiasm at work, the Company has formulated the *Management Regulations on the Promotion of Managerial and Technical Personnel* and the *Management Regulations on Qualifications*. A dual-channel promotion path has been set up for managerial and technical talents. To provide employees with a diversified development platform and drive their continuous growth, the Company has introduced and normalized an occupational qualification system.



During the reporting period

The Company further normalized certification, with **983** applying for promotion certification

The Company newly created "Equipment Research and Development" and "General" qualification standards that cover **100%**

To deepen the combination of industry and education, the Company actively explores the cultivation mode for skillful talents and actively responds to the government's call for better professional skills ranking identification. We have also formed a standardized ranking identification procedure and system, built a high-quality team of examiners and supervisors, and created a positive atmosphere where everyone wants and is able to have their professional skills certified. In the future, the Company will better construct a team of senior and higher-level talents to cultivate and output talents for the Company and the industry.

During the reporting period

Certified **2,036** employees

2020

Obtained the qualification for independent evaluation of battery makers in Shenzhen, developed professional standards for battery makers, and participated in the preparation of the *National Occupational Skill Standards for Battery Makers* as a secondary participant.

2021

Obtained the qualification for independent evaluation of "mechanical equipment installer", "electrical equipment installer" and "fitter", and simultaneously developed the occupational standards for three professions.

2022

Added the qualification for independent evaluation of 11 professions, including "quality inspector", "vocational trainer", and "purchaser". The occupational skill standards developed by the Company have obtained intellectual property protection. In addition to Shenzhen, the Company has obtained the qualification for independent evaluation in Huizhou, Nanchang, and Lanxi, and the qualification will cover other regions of the Company in the future.



Occupational skill certification

Based on the general development strategy and the human resource strategy, the Company has established the Sunwoda University to facilitate the construction of a training system. Internally, efforts are taken to support strategy implementation, business development, and human capital increase of the Company by providing training to all employees and managers. Externally, comprehensive technical and managerial training solutions are provided to customers and partners in line with business development and the customer service policy. To improve the effectiveness and efficiency of talent management, the Company has realized the IT integration and data construction for its talent cultivation chain.

Type	Course structure		Key projects
Management talents (junior, intermediate, senior)	Senior managers and reserve talent training		<ul style="list-style-type: none">● Elite Program (Phase 1, Phase 2)<ul style="list-style-type: none">● Empowerment of intermediate managers● Sailing program<ul style="list-style-type: none">● Empowerment of junior managers● Team leader
	Intermediate managers and reserve talent training		
	Junior managers and reserve talent training		
Professional talent (assistant engineer – expert)	11 professional colleges		<ul style="list-style-type: none">● Learning roadmap of professional colleges<ul style="list-style-type: none">● Six Sigma● Participate in external training
	<div>Marketing</div> <div>Research and development</div> <div>Quality</div> <div>Safety</div> <div>Supply chain</div> <div>Engineering</div> <div>Project</div> <div>HR administration</div> <div>IT</div> <div>Finance</div> <div>Audit</div>		
Skilled talent (technician – assistant engineer)	Sapphire Program: intermediate and senior technician → assistant engineer		<ul style="list-style-type: none">● Dual-system full-time junior college class<ul style="list-style-type: none">● Intern training● Modern apprentice● New apprentice
	Azure Program: junior technician → intermediate and senior technician		
	Aqua Program: employee & technician → junior technician		
New recruit	Onboarding training for positions in social recruitment	Onboarding training for positions in campus recruitment	<ul style="list-style-type: none">● Onboarding training for positions in campus recruitment● Rising star
Guarantee measures: digital learning platform + training base construction + skill evaluation system			

The Company's talent cultivation system



Supervisor empowerment

With the expansion of business and scale, the new stage and new situation raise higher requirements for the management level of primary supervisors. To improve the managerial capability of supervisors, Sunwoda held the first supervisor empowerment training program during the reporting period. Run by more than 20 practical instructors from inside or outside the Company, this program aims to improve the six major capabilities (team management, work tutorship, problem analysis and resolution, target management, report preparation, and communication) of supervisors. During the program, trainees receive 40+ hours of online and offline theoretical and practical courses within 3 months while special persons are assigned to maintain the operation of the program.



The first supervisor empowerment training



Azure Program

With the development of intelligent manufacturing and Industrial Internet at a fast pace, the business units of the Company also witnesses increasing intelligence level of manufacturing. Against this backdrop, the demand for automation talents increases. In order to introduce automation talents, the Company has initiated the Azure Program (internship development) in cooperation with Guizhou Light Industry Technical College, Lanzhou City University, Shenzhen Polytechnic, the First Vocational Technical School of Shenzhen, and other secondary and higher vocational schools to form a joint and integrated talent development mode. A batch of qualified medium and senior technicians have been cultivated for targeted positions in advance.

Flexibly customized courses with certificates

Based on the demand of skill-typed positions, the school and the Company adopt the development mode featuring "flexible customization of highly-skilled talents" and set up courses and evaluation system together. A definite agreement is concluded between interns and the Company and between the school and the Company to form a long-term mechanism for school-enterprise talent training and cultivation.

Whole-process training, phased examination, and step-by-step development

- On-campus basic skill training
- On-the-job practical training
- Practical internship training
- Project operation



Cultivation scheme of the Azure Program



Mentorship ceremony of the Azure Program



Professional internal training

Six Sigma is a scientific problem-solving methodology and a systematic toolbox that uses the DMAIC (Define - Measure - Analyze - Improve - Control) concept for process design and improvement. The internal Six Sigma training projects of the Company are divided into the following two forms: the green belt training that is premised on project submission, features teaching while completing the project, and focuses on the use of cause-and-effect tools in the project; the yellow belt training focuses on the understanding and simple application of Six Sigma tools and improves the logical thinking of trainees without the need for submitting improvement projects.



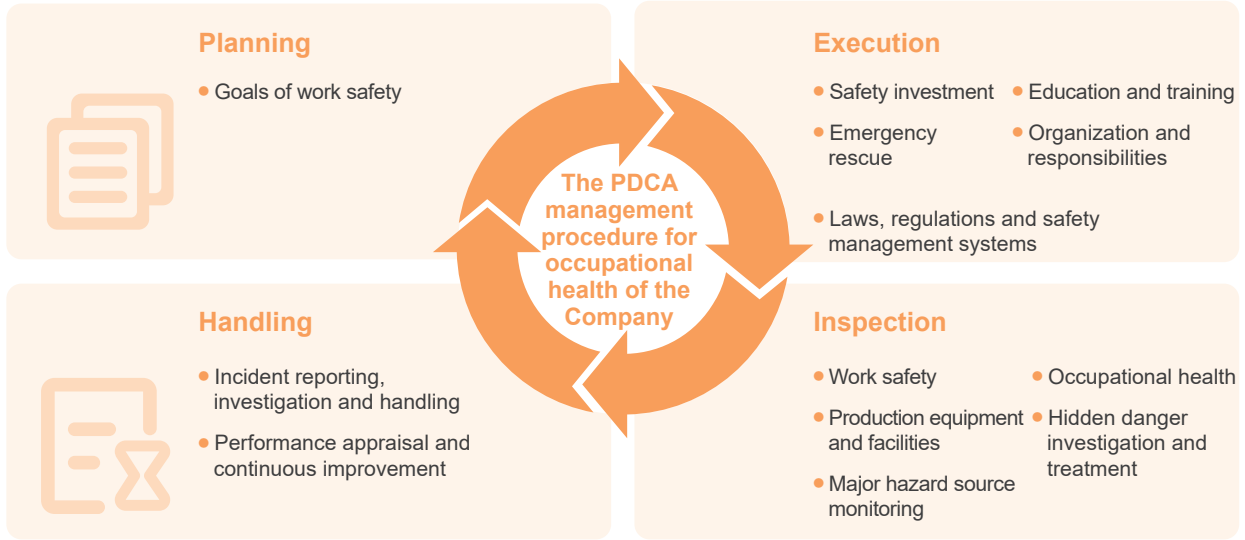
The yellow belt training in 2022



Improvement projects					
Completed projects	Exported quick wins	New files	Revised files	Patents	Saved
64	497	107	201	14	RMB 119,197,100

Occupational Health and Safety

The Company strictly abides by OSH laws and regulations while establishing, operating, and continuously improving the OSH system according to the requirements of the ISO 45001 system. During the reporting period, the Company and 16 of its subsidiaries passed the ISO 45001 Occupational Health and Safety Management System Certification. 4 subsidiaries obtained level 2 or level 3 Work Safety Standardization Certificates while another 3 subsidiaries are being announced as level 3 standardization companies.



The Company has set up the Work Safety Management Committee to support the corresponding work and assessment mechanism and comprehensively supervise the management of workshop work safety, fire safety, occupational hygiene, and health. Chaired by the Chairman of the Company and with general managers of all subsidiaries as the first responsible persons of work safety, the Work Safety Management Committee manages the safety work and coordinates the guidance of work safety. (See section "EHS Management System" for details)



During the reporting period

Investment in work safety

RMB 40,788,529

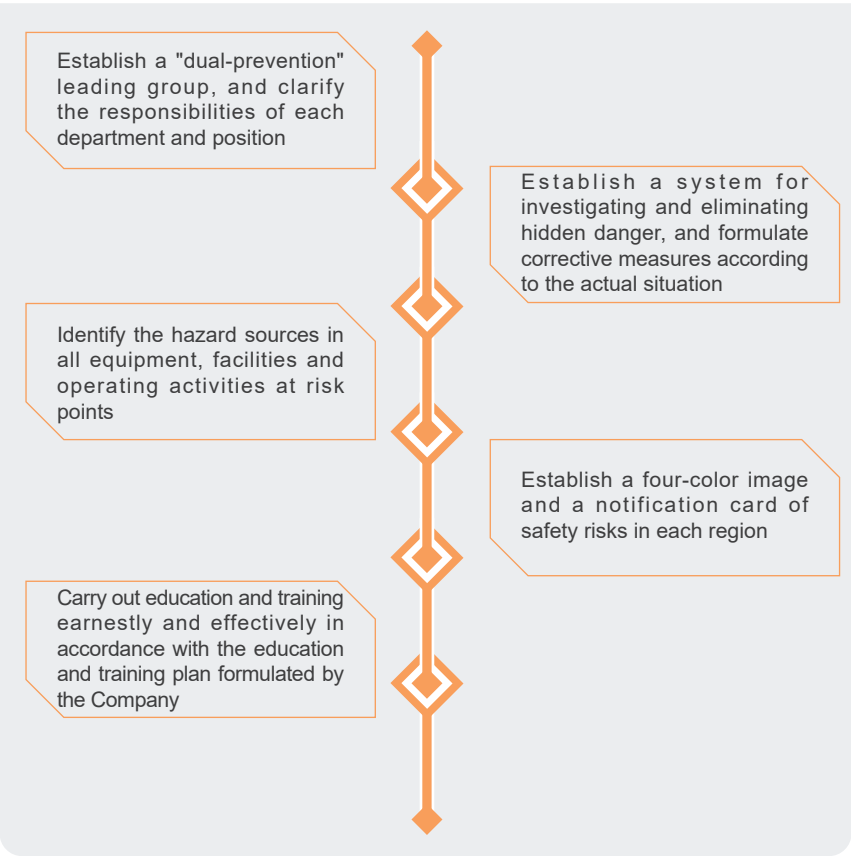
Work Safety Management

Goals of work safety

With a work safety goal to "eliminate hidden dangers mainly based on prevention, take technical and protective measures, resolutely eradicate extra-serious accidents, curb major accidents, and strictly prevent the occurrence of mass incidents", the Company sets annual work safety goals, prepares work safety management plans for different stages, applies various measures, and actively completes the work related to work safety.

Identification of safety risks

To well accomplish work safety and strictly prevent the occurrence of work safety accidents, the Company takes multiple measures and takes full responsibilities for work safety.



Measures for identifying safety risks

During the reporting period

Death toll from work-related accidents

0

During the reporting period

Safety inspections

2,762

Safety risks rectified

18,499

Work safety emergency management

To further enhance the Company's capability of handling work safety incidents, the Company has set up a series of emergency management systems and rules including the *Emergency Response and Response Management Regulations*, the *Management Regulations for Fire Emergencies*, and the *Implementation Rules for Non-Work-Safety Incidents*. We also established emergency organizations (including the command team, the communication team, the evacuation and alert team, the disaster relief team, the medical rescue team, and the logistic support team) to ensure timely and effective handling of unexpected work safety accidents.

Perform risk assessment such as identification of hazard sources and investigation of accident risks.

Establish a list of major hazard sources and major accident risks.

Formulate emergency plans, organize emergency drills and personnel training, and establish emergency response levels and early warning levels for accidents in the following four stages: prevention, preparation, response, and recovery.

Work safety emergency management measures of the Company



Fire emergency training and drill



Fire evacuation drill



Mechanical injury emergency training and drill

During the reporting period

Emergency drills

555

Number of participants

55,042 employees

Case Chemical leakage emergency drill

To improve emergency rescue in chemical leakage accidents and enhance employees' awareness of risk prevention as well as self-support and mutual-support capability in unexpected accidents, the Company has carried out chemical leakage emergency drills. Based on a simulation of an accident, the drill aims to improve the coordination ability of the commanding person and the practical competence of the emergency team. In this drill, all the participants performed their own duties and strictly abided by relevant safety measures. This drill enhanced the emergency team's preparedness for emergency response and honed the emergency mechanism.



Chemical leakage emergency drill

Safety knowledge education

By adhering to the concept of strengthening safe development, the Company continuously improves the safety quality of all employees, provides work safety training for them, and requests them to enhance safety awareness and stick to the bottom line of safety by means of themed teach-ins, themed training, and the Work Safety Month events.

Work Safety Month

To enhance employees' safety awareness and maintain a sound atmosphere and situation of work safety in the Company, the Company deliberately and earnestly planned for and organized the "Work Safety Month" of 2022.

Event	Performance
Online safety exam for all employees	• 18,782 people passed the online safety exam
Offline prize quiz about safety knowledge	• Organized 9 offline prize quizzes about safety knowledge, attended by 4,468 people, and distributed 2,276 gifts
Safety checks by senior managers	• Senior managers led 34 safety checks
Safety knowledge contest	• 125 teams (375 employees) participated in the preliminary round of the contest, with 52 teams (156 employees) qualified for the semi-finals, and 16 teams (48 employees) qualified for the final
Parent-child safety game & safety short-video contest	• 12 business units produced 24 short videos to participate in the safety contest and 6 business units produced 8 short videos to participate in the parent-child safety game, with 11,078 people watching the game

Safety Month of the Company

Work safety training

In order to strictly implement the primary responsibility for work safety and effectively enhance employees' safety awareness, the Company organizes special training on work safety to firmly establish the safety awareness for employees and ensure the orderly progression of work safety measures.



During the reporting period



Safety training sessions

4,700

Total number of persons trained

116,165 employees

Occupational Health Protection

The Company values the physical and mental health of every employee. To effectively prevent and control occupational diseases and protect the occupational health of employees, the Company has established a series of managerial systems and implementation rules to expedite the implementation of occupational health measures, including the *Occupational Hygiene Management Regulations*, the *Occupational Hygiene and Labor Protection Management Regulations*, and the *Implementation Rules for the Control of Labor Protection Supplies*.

During the reporting period



Occupational disease screenings percentage

100%

Cases of occupational diseases

0

Focusing on the publicity of occupational hygiene and strengthening the awareness of health protection

In order to deeply implement the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and assume the primary responsibility, the Company carries out a series of occupational health and safety activities around the theme "All for Laborers" and improves employees' understanding of the hazard of occupational diseases and their self-awareness of protection by combining education with communication, thus protecting the rights of massive laborers to occupational health.



Occupational health teach-in



Promotional banner and poster of occupational health



Occupational hygiene training



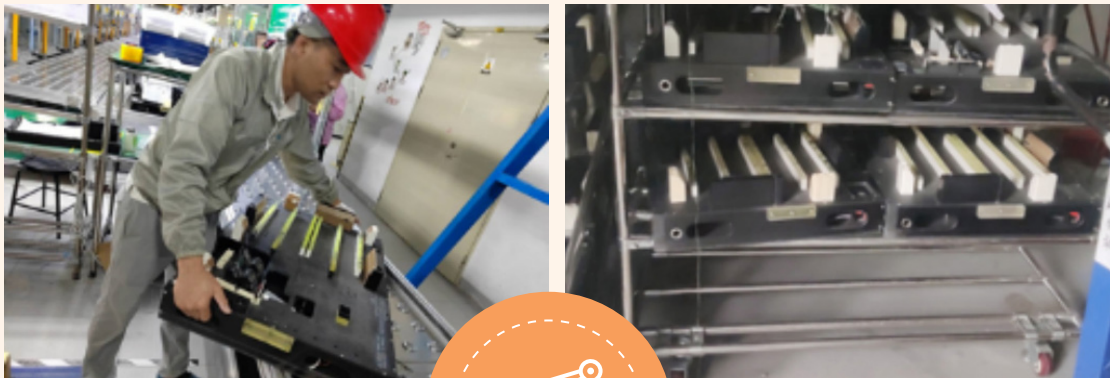
Occupational health promotion

Optimizing protective measures and improving occupational hygiene environment

To effectively improve the environment and conditions of the workplace and protect the rights of laborers to occupational health, the Company continues to optimize protective measures and reduce occupational hazards and risks.

Case Improvement of hoisting positions

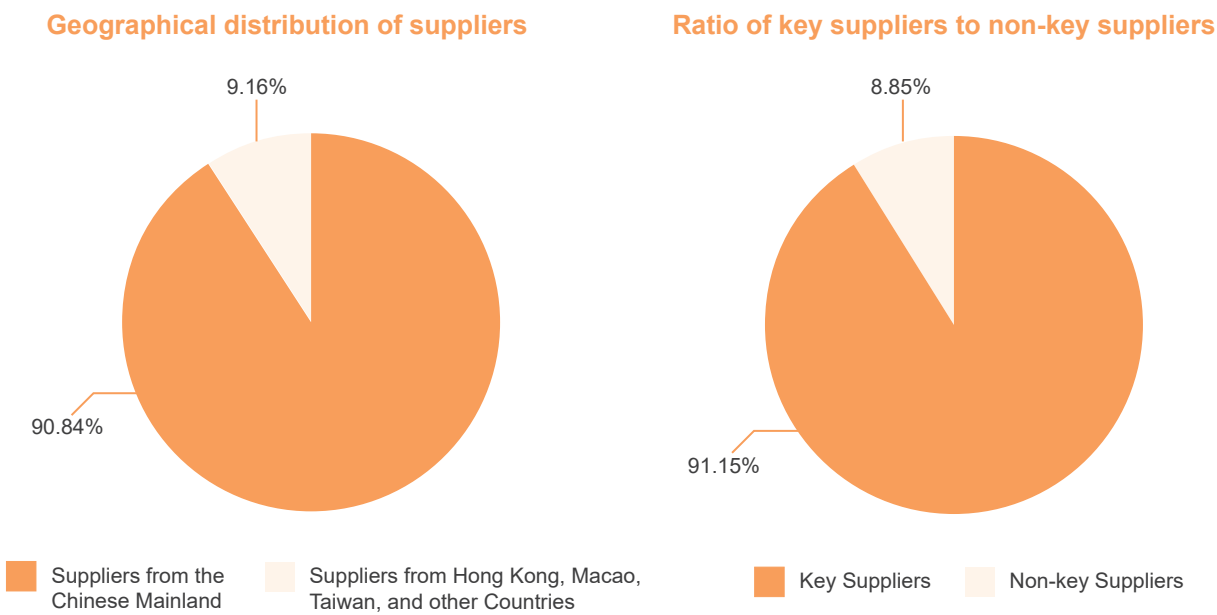
The Company has redesigned the hoisting equipment to address issues such as low efficiency of traditional hoisting, high consumption of physical strength for employees, and high safety risks. Those efforts not only significantly improve the transportation efficiency of hoisting equipment, allow the backflow line to adjust the conveying speed based on the actual UPH of the production line, and better stabilize equipment, but also fully spare the manpower of transportation, and reduce the health risk for operators.



Before and after improvement of hoisting positions

Sustainable Supply Chain

A stable and sustainable supply chain underlies Sunwoda's capability of providing customers with outstanding services. Committed to establishing a transparent, mutually-beneficial, and responsible procurement relationship with suppliers, Sunwoda has formulated a series of internal policies and regulations for standardized management, including the *Basic Procurement Method*, the *Supplier Development Process*, the *Supplier Management Process*, and the *Management Regulations on the Evaluation and Monitoring of Suppliers*. The Company also promises to create a sustainable supply chain in collaboration with suppliers. As of the end of the reporting period, the Company had cooperated with 5,218 suppliers, including 559 new suppliers.



Supplier Management

The Company has a set of effective supplier evaluation and management means from development to cooperation. By means of routine monitoring and regular evaluation accompanied by on-site assessment and field instruction, the Company strictly controls the quality of products and services provided by suppliers to ensure compliance with laws, regulations, and customers' requirements. Due to the contingent difference between the ESG risk of suppliers and the ESG risk of the Company, the Company integrates control measures into the key nodes of the supplier management process, including supplier development, risk evaluation, on-site verification, evaluation, and improvement. Meanwhile, the ESG training is held at supplier seminars to share with suppliers industrial knowledge and outstanding practices, and promote the sustainable development of suppliers.

Supplier onboarding

During the onboarding process, the Company focuses on suppliers' performance in product quality and ESG, as well as other qualifications and certifications, and decides whether a supplier is qualified based on the result of risk evaluation and on-site review. Newly selected suppliers are required to sign the *Basic Principles for Cooperation with Suppliers*, the *Commitment of Suppliers to Environmentally-friendly Materials*, the *Quality Assurance Agreement*, and the *Law Compliance and Trade Safety Agreement for Business Partners*. Definite requirements are proposed regarding business ethics, labor management, occupational health and safety, product safety and quality, and environment to effectively manage the impact of the supply chain on society and environment.

Supplier review

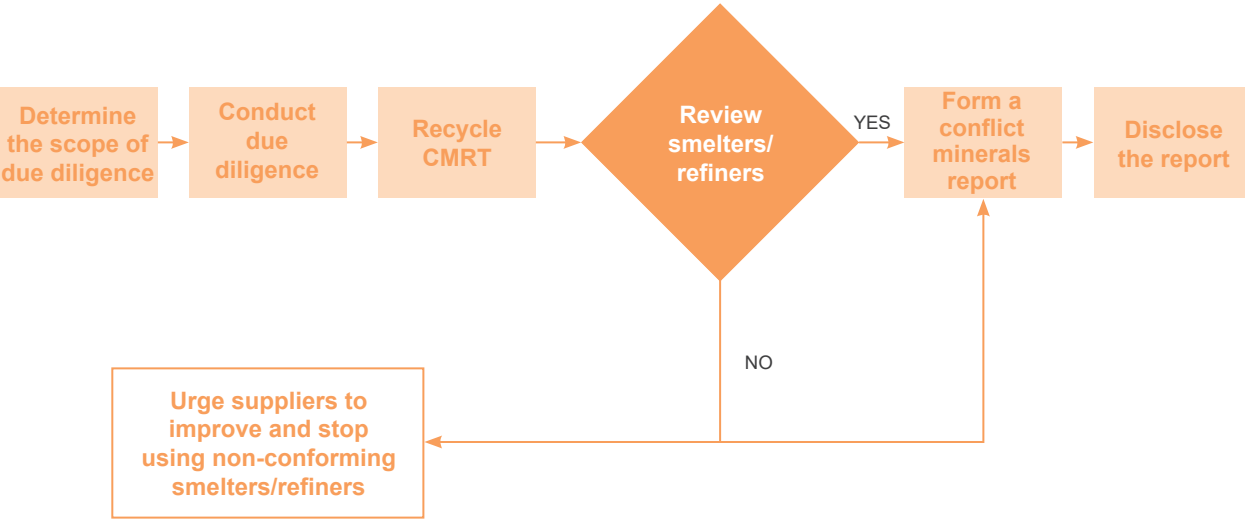
As for qualified key suppliers, the Company maintains the suppliers' ISO systems and conducts annual review while performing on-site review at the site of suppliers as needed by the business. As for non-conforming items, the Company will help the responsible supplier to make improvements. If the supplier still fails to meet requirements before the given time after the instruction, the Company will consider reducing the cooperation with that supplier.

Management System	ESG risk evaluation
Passed ISO 14001, ISO 45001, and ISO 9001 certifications	Management system, business ethics, anti-discrimination, working hours, wages and benefits, anti-child labor and forced labor, occupational health and safety, environmental protection, etc.

Avoidance of Conflict Minerals

Sunwoda's conflict minerals policy
The Company understands and takes into account the human right and environment issues related to conflict minerals, and will, under reasonable circumstances, make sure that the products we produce do not contain tantalum, tin, cobalt, tungsten or gold that directly or indirectly provide funds or benefits to the armed forces that abuse human rights in the Democratic Republic of the Congo or other neighboring countries.

In accordance with the conflict mineral guidelines and the RBA plan of the Organization for Economic Cooperation and Development (OECD), the Company conducts due diligence on the supply chain for the procurement of five minerals, including tantalum, tin, tungsten, gold (3TGs) and cobalt, contained in products. Also, the Company requests its suppliers to use 3TGs and cobalt that are approved by RBA and declared to be conflict-free minerals upon review based on the Responsible Minerals Initiative (RMI). The Company also supervises suppliers in their efforts to facilitate non-RMI-certified smelters and refiners to be verified by the Responsible Minerals Assurance Program (RMAP).



The due diligence process

Management System

- Issue a public conflict minerals policy.
- Establish a transparent and controllable supply chain inside the Company to identify smelters or refiners (SORs) of conflict minerals.
- Establish a long-term cooperative relationship with most suppliers, clarify the expectations of the Company to suppliers by communicating with them, and incorporate conflict mineral requirements in the *Basic Standards for Cooperation with Suppliers*.
- Actively respond to the RMI plan, identify and evaluate risks according to tools and guiding documents.



Management measures

- Implement RBA/RMI plans, only work with conflict-free smelters and refiners, and require suppliers to actively audit the smelters/refiners that are non-conforming or not audited yet.
- The Company will stop working with the smelters/refiners that refuse to accept audit and certification, and require suppliers to remove non-audited and non-certified smelters/refiners.
- Summarize annual conflict mineral investigation reports.



Name of conflict mineral	Number of smelters	Number of conforming smelters	Percentage of conformity
Tantalum	35	35	100%
Tin	53	53	100%
Tungsten	58	58	100%
Gold	152	152	100%

Due diligence result of 2022

The Company is committed to covering the whole supply chain with the Reasonable Country of Origin Investigation (RCOI) by the end of 2025, and achieving 98% of conflict-free minerals. The future plan is as follows:

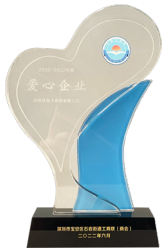
1. Encourage smelters to receive audit;
2. Institutionalize cobalt and 3TGs;
3. Actively facilitate smelters/refiners to receive and pass the RMAP audit, participate in the RMI work group, and establish a connection with conforming smelters to further automate the integration of the Conflict Mineral Reporting Template (CMRT) data of suppliers.

Community Investment

Upholding the philosophy of "gratitude, integrity, charity, and harmony", the Company established the Shenzhen Sunwoda Charity Foundation in 2012 to provide charitable services in poverty relief, education support, patient care, medical assistance, and disaster relief and support the development and advancement of charities. The Company takes active part in public welfare activities and is recognized by the society. During the reporting period, the Company received honorable titles including the "Winner of the 6th Shenzhen Charity Award - Enterprise of Charitable Donations in Shenzhen", the "Enterprise Engaged in Good Deeds by Investing in Education", the "Caring Enterprise of 2020-2022", and the "Advanced Private Enterprise in the Enterprise Supported Rural Revitalization Program in Guangxi and Guangdong in 2022". The Company donated RMB 6.869 million in 2022, with a total donation amount of more than RMB 48 million over the years.



The title "Enterprise Engaged in Good Deeds by Investing in Education" granted by South China University of Technology



Caring Enterprise of 2020-2022



Advanced Private Enterprise in the Enterprise Supported Rural Revitalization Program in Guangxi and Guangdong in 2022

Community Involvement

Attaching great importance to community construction, the Company integrates the joint construction of a harmonious community in its daily work based on the actual needs of the community, so as to build a "harmonious, safe, and civilized community" with all stakeholders.

Case Love for medical workers

In order to carry forward the great love of medical workers, further create an atmosphere where doctors are respected and valued, and extend more care to medical workers, the Company initiated a doctor-caring program to extend concern and love to front-line medical workers. On Nurses' Day and Doctors' Day, the "Pay Tribute to White Angles" and the "Doctor Caring Festival" programs were staged in 6 hospitals, including the Shiyan People's Hospital, the Seventh Affiliated Hospital of Sun Yat-sen University, the Yuanzhou Town Health Center of Boluo County, Huizhou City, the Nanjing Lishui District Hospital of Traditional Chinese Medicine, the Lanxi People's Hospital, and the Lanxi Hospital of Traditional Chinese Medicine. During the event, the best festival blessings were delivered to 5,516 medical workers.



"Pay Tribute to White Angles" at the Seventh Affiliated Hospital of Sun Yat-sen University

Case Care for sanitation workers

To extend veneration and blessings to sanitation workers who have long been devoted to their cause in obscurity, the Company delivered moon cakes, rice, and other caring supplies and festive blessings to 100 sanitation workers from 4 refuse transfer stations, including the one on Dongda Road, Dongkeng, Fenghuang Sub-district, in the Mid-Autumn Festival to appreciate their industrious contribution.



The "Tribute To City Beauticians" event

Case The "Happy Rice Dumplings and Happy Children's Day" event

To spend a happy Children's Day with children in hospital and allow them to feel the cultural charm of the traditional Dragon Boat Festival, the Company initiated the "Happy Rice Dumplings and Happy Children's Day" event for 78 hospitalized children in the Seventh Affiliated Hospital of Sun Yat-sen University and the Shiyan People's Hospital in Bao'an District. During the event, children were given books, hand-made rice dumpling packs, and toys on this happy and cozy festival.



Children's Day care event at Shiyan People's Hospital

Rural Revitalization

The Company actively responds to the national and local strategic layout for rural revitalization and assists in the rural revitalization work according to its planning and actual conditions.

Case Relieving loneliness with Spring Festival packs

In order to show the care for aged people in rural areas and send Spring Festival blessings to them, the Company sent Spring Festival gift packs (containing blankets, thermos cups, scarves, and other supplies) to 200 aged people in 11 towns across Luocheng County, Hechi, Guangxi during the Spring Festival to improve their lives. Also, the Company organized volunteers to comfort and accompany 38 needy elderly people in Heshan Village and Shenli Village in Yuanzhou Town.



Delivering care to elderly people during the Spring Festival

Case Drumming up power with love and genuineness to create hope

To extend care to left-behind children in rural areas, the Company raised funds to build a Children's Harbor project in Zhongcun Village, Yongxiu County, Jiujiang City, Jiangxi Province. Accompanying mothers and volunteers stayed in the village to extend emotional support, teach children to protect themselves, and inspire their ambitions, thus promoting the healthy growth of the children.

Case Invigorating the nation with education support

Attaching great importance to rural education, the Company donated table tennis tables, basketballs, volleyballs and other sports equipment to the primary school in Nongping Village, Dahua County, Guangxi Province, so as to further boost the sports development of the school. The Company also donated school uniforms to the faculty and students in Shangzhen Primary School, Bao'an Township, Du'an County, Guangxi Province, so as to improve their mental and physical health while creating a healthy and happy childhood for them. In addition, the Company cares about the academic performance of students by subsidizing excellently-performing but poverty-stricken students. For example, the Company set up the "Sunwoda Inspirational Scholarship" in Boluo Middle School as a way of invigorating the nation. The foundation benefited more than 1000 teachers and students in 2022.



Donating school uniforms to the rural primary school in Huanjiang County, Dahua, Hechi, Guangxi

Social Charity

The Company actively fulfills its social responsibilities by taking part in public welfare activities, serving and contributing to the society, so that the society becomes warmer and more harmonious.

Case The "Sunshine Protection" program for infinite love

The Company carried out the "Sunshine Protection" program to actually offer medical assistance and security to patients. By far, the program has provided assistance to 26 people with serious diseases, amounting to RMB 733,700, which effectively helps those stricken by poverty due to serious diseases. Continuously caring for hospitalized children, the Company has also made donations to children in the Shiyan People's Hospital and the Seventh Affiliated Hospital of Sun Yat-sen University. Professional social workers carried out diverse activities for those children, serving up to 2,172 patients.



Care under the "Sunshine Protection" program

Case I Have A Populus Euphratica Forest

The Company donated to the "I Have A Populus Euphratica Forest" charity program under China Green Foundation, in which the Company planted 1,500 populus euphratica trees in Dongfeng Town, Ejina Banner, Alxa League, Inner Mongolia Autonomous Region. Those trees are expected to grow into a 20-mu windbreak and sand-fixing forest to absorb 323.52 tons of carbon dioxide.



The "I Have A Populus Euphratica Forest" charity program

Appendix

Key Performance Table

Economy				
Indicator	Unit	2020	2021	2022
Operating income	RMB'00 million	296.92	373.59	521.62
Net profit	RMB'00 million	8.02	9.16	7.58
Earnings per share	RMB/share	0.52	0.58	0.62
Asset-liability ratio	%	76.70	67.75	64.69
Tax amount	RMB'00 million	4.42	8.46	9.06

Environment ¹					
Issue	Indicator	Unit	2020	2021	2022
Energy	Electricity	kWh	333,825,344.00	705,998,215.68	918,076,832.32
	Natural gas	Cubic meter	8,887,807.00	3,299,857.10	15,679,081
	Gasoline	Liter	69,360.00	189,095.28	192,033.15
	Diesel	Liter	40,651.00	5,626.11	7,735.97
	Steam	Cubic meter	—	—	262,371.95
	Total emissions	tCO2e	275,888.12	587,498.58	811,784.24
Greenhouse gases	Scope 1	tCO2e	7,425.77	19,734.81	44,605.94
	Scope 2	tCO2e	268,462.34	567,763.77	767,178.24
	Total emissions	Ton	18.87	12.60	17.81
Waste gas	Total non-methane hydrocarbons	Ton	2.61	5.62	8.38
	Volatile organic compounds (VOCs)	Ton	—	—	0.78
	Nitrogen oxides	Ton	9.96	2.23	7.32
	SOx	Ton	1.15	0.07	Lower than the detected value
	Particulates	Ton	4.36	2.23	1.33
	Others	Ton	0.79	2.45	0
	Total discharge	Ton	808,252.00	946,835.00	974,815.00

Effluent quality	Chemical oxygen demand (COD)	Ton	32.45	31.12	123.69
	Biochemical oxygen demand five days (BOD5)	Ton	6.29	5.16	37.99
	Ammonia nitrogen	Ton	3.12	2.61	3.27
	Total nitrogen	Ton	3.76	3.02	3.41
	Suspended matter	Ton	12.25	10.88	29.39
	Total phosphorus	Ton	0.18	0.13	0.36
Water resources	Water consumption	Ton	1,501,840.00	3,108,634.00	3,319,597.00
Waste	Non-hazardous waste				
	Production	Ton	17,514.85	3,796.99	2,868.61
	Recycling	Ton	—	—	2,669.32
	Hazardous waste				
	Production	Ton	263.74	911.89	1,231.86
	Recycling	Ton	—	—	6.7
	Cyclic utilization	Ton	—	—	304.89
	Landfilling	Ton	—	—	35.52
	Incineration	Ton	—	—	801.86
	Others	Ton	—	—	113.56
Packaging material	Carton	Piece(s)	5,010,300	13,945,120	13,465,104
	Color box	Piece(s)	11,776,704	22,542,503	19,596,460
	Tray	Piece(s)	28,573,831	36,483,753	103,169
	Plastic box	Piece(s)	13,013,326	26,544,786	16,378,979
	Stretch film	Reel(s)	69,961	84,847	39,587,710
	Sealing tape	Reel(s)	146,855	136,532	174,985
	Wooden pallet	Piece(s)	98,467	19,702	2,222
	Glued pallet	Piece(s)	43,445	92,070	481,554
	PE bag	Piece(s)	34,210,949	30,726,510	24,430,775
	Divider (paper)	Piece(s)	8,451,917	6,813,502	24,423,638
	Partition (paper)	Piece(s)	7,127,693	11,421,263	259,500
	Corner protector (paper)	Piece(s)	1,307,473	2,652,677	7,702,422

Society					
Issue	Indicator	Unit	2020	2021	2022
Employees	Number of employees	People	27,500	36,127	44,842
	By gender				
	Male	People	18,334	24,524	30,833
	Female	People	9,166	11,603	14,009
	By function				
	Production personnel	People	18,638	23,587	28,656
	Technical personnel	People	5,521	6,973	8,364
	Sales personnel	People	115	369	498
	Financial personnel	People	144	189	270
	Administrative personnel ²	People	3,082	5,009	7,054
	By academic qualifications				
	PhD degree	People	70	93	107
	Master's degree	People	735	960	1,360
	Bachelor's degree	People	3,242	4,955	7,467
	Junior college degree	People	4,491	5,649	7,319
	Below junior college degree	People	18,962	24,470	28,589
	By age				
	Over 50 years old	People	111	169	163
	30 to 50 years old	People	11,769	16,878	21,590
	Under 30 years old	People	15,620	19,080	23,089
	Gender of the management				
	Male in management	People	959	712	4,609
	Female in management	People	246	468	1,079
	Proportion of female in management	%	20.41	39.66	23.41
	Labor contract signing rate	%	100.00	100.00	100.00
	Number of minority employees	People	—	—	10,826
	Number of needy employees supported	People	—	—	0

Training	Total number of employees trained	People	—	27,679	32,189
	Total hours of training for employees	Hour(s)	—	206,951	26,756.5
Suppliers	Total Number of Suppliers	Supplier(s)	2,100	5,495	5,218
	By region				
	Suppliers from the Chinese Mainland	Supplier(s)	1,969	4,871	4,740
	Suppliers from Hong Kong, Macao, Taiwan, and other Countries	Supplier(s)	131	624	478
Community	Charity donation	RMB'0,000	1212.10	679.00	686.90
	Duration of volunteer activities	Hour(s)	772	358	1,980

[1] The scope of disclosure of EHS data in 2022 covers manufacturing companies with assets greater than RMB 5 million. The indicators vary greatly because the list of companies is different from that in 2021.

[2] To be aligned with the annual report, the classification of employee functions is changed. Administrative personnel covers persons other than the production personnel, technical personnel, sales personnel, and financial personnel mentioned above.

GRI Index

Notes: Sunwoda reported the information cited in this GRI Index with reference to the GRI Standards dated from January 1 to December 31, 2022.			
GRI 1 used	GRI 1: Foundation 2021		
GRI Standards	Disclosed Item		Corresponding Chapter
GRI 2: General Disclosures 2021	2-1	Organization details	Company Profile
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	Key Performance Table
	2-6	Activities, value chains and other business relationships	Company Profile Product Quality Customer Service
	2-7	Employees	Key Performance Table
	2-9	Governance structure and composition	Corporate Governance
	2-10	Nomination and selection of the highest governance body	Corporate Governance
	2-11	Chair of the highest governance body	Corporate Governance (for details, please refer to the 2022 Annual Report of Sunwoda Electronics Co., Ltd.)
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Management System
	2-13	Delegation of responsibility for managing impacts	ESG Management System
	2-14	Role of the highest governance body in sustainability reporting	About This Report ESG Management System
	2-15	Conflicts of interest	Corporate Governance (for details, please refer to the 2022 Annual Report of Sunwoda Electronics Co., Ltd.)
	2-16	Communication of critical concerns	ESG Management System
	2-17	Collective knowledge of the highest governance body	ESG Management System
	2-22	Statement on sustainable development strategy	Message from the Chairman
	2-23	Policy commitments	Combating Corruption and Upholding Integrity Happiness in the Workplace
	2-24	Embedding policy commitments	Combating Corruption and Upholding Integrity Happiness in the Workplace
	2-25	Processes to remediate negative impacts	Combating Corruption and Upholding Integrity
	2-26	Mechanisms for seeking advice and raising concerns	About This Report
	2-27	Compliance with laws and regulations	Refer to each chapter of the report for details
	2-28	Membership associations	Topic: Tackling Climate Change for A Green Future
	2-29	Approach to stakeholder engagement	Communication with Stakeholders
	2-30	Collective bargaining agreements	Happiness in the Workplace
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Analysis of Material Issues
	3-2	List of material topics	Analysis of Material Issues

GRI Standards	Disclosed Item		Corresponding Chapter
GRI 201: Economic Performance 2016	3-3	Management of material topics	Analysis of Material Issues Corporate Governance
	201-1	Direct economic value generated and distributed	Performance Key Performance Table
	201-3	Defined benefit plan obligations and other retirement plans	Happiness in the Workplace
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Investment
GRI 205: Anti-corruption 2016	3-3	Management of material topics	Analysis of Material Issues Combating Corruption and Upholding Integrity
	205-1	Operations assessed for risks related to corruption	Combating Corruption and Upholding Integrity
	205-2	Communication and training about anti-corruption policies and procedures	Combating Corruption and Upholding Integrity
	205-3	Confirmed incidents of corruption and actions taken	Combating Corruption and Upholding Integrity
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Green Production Key Performance Table
	302-4	Reduction of energy consumption	Green Production
	302-5	Reductions in energy requirements of products and services	Topic: Tackling Climate Change for A Green Future
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Green Production
	303-2	Management of water discharge related impacts	Green Production
	303-4	Water discharge	Green Production Key Performance Table
	303-5	Water consumption	Green Production Key Performance Table
GRI 305: Emissions 2016	3-3	Management of material topics	Analysis of Material Issues Topic: Tackling Climate Change for A Green Future Green Production
	305-1	Direct (Scope 1) GHG emissions	Topic: Tackling Climate Change for A Green Future Key Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	Topic: Tackling Climate Change for A Green Future Key Performance Table
	305-4	GHG emissions intensity	Topic: Tackling Climate Change for A Green Future
	305-5	Reduction of GHG emissions	Topic: Tackling Climate Change for A Green Future Green Production
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Green Production Key Performance Table
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Green Production
	306-2	Management of significant waste-related impacts	Green Production
	306-3	Waste generated	Green Production Key Performance Table

GRI Standards		Disclosed Item	Corresponding Chapter
	306-4	Waste diverted from disposal	Green Production Key Performance Table
	306-5	Waste directed to disposal	Green Production Key Performance Table
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Analysis of Material Issues Sustainable Supply Chain
	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Happiness in the Workplace
	401-3	Parental leave	Happiness in the Workplace
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Happiness in the Workplace
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Safety and Health
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health
	403-3	Occupational health services	Occupational Safety and Health
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health
	403-5	Worker training on occupational health and safety	Occupational Safety and Health
	403-6	Promotion of worker health	Happiness in the Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health
	403-9	Work-related injuries	Occupational Safety and Health
	403-10	Work-related ill health	Occupational Safety and Health
	404-2	Programs for upgrading employee skills and transition assistance programs	Happiness in the Workplace
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Happiness in the Workplace Key Performance Table
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Happiness in the Workplace Sustainable Supply Chain
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Happiness in the Workplace Sustainable Supply Chain
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Analysis of Material Issues Sustainable Supply Chain
	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain

Feedback

Thank you for taking the time to read the *Environmental, Social, and Governance (ESG) Report 2022 of Sunwoda Electronic Co., Ltd.* To continuously improve our ESG management and capability as well as the quality of the report, we sincerely invite you to provide your precious opinions and suggestions about this report. We will fully consider your opinions and suggestions, and promise to properly protect your information from being obtained by any other third party.

1. What kind of stakeholders do you belong to?

- ☐ Employee
- ☐ Customer
- ☐ Investor
- ☐ Dealer
- ☐ Supplier
- ☐ Government and regulatory organ
- ☐ Media
- ☐ Industrial association
- ☐ Cooperative agency
- ☐ Others (please specify)

2. How well do you think this report can fully and accurately reflect the significant impact of the Company on the economy, society and environment?

- ☐ Very well
- ☐ Well
- ☐ Averagely
- ☐ Poorly

3. How well do you think this report responds to and discloses the concerns of stakeholders?

- ☐ Very well
- ☐ Well
- ☐ Averagely
- ☐ Poorly

4. How clear, accurate and complete are the information, indicators and data disclosed in this report?

- ☐ Very well
- ☐ Well
- ☐ Averagely
- ☐ Poorly

5. What do you think of the readability of this report, regarding main logic line, content design, wording, and layout design?

- ☐ Very well
- ☐ Well
- ☐ Averagely
- ☐ Poorly

6. What suggestions do you have for our future ESG reports?

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