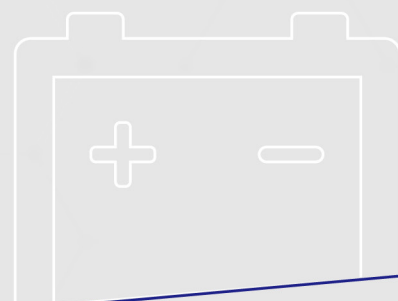
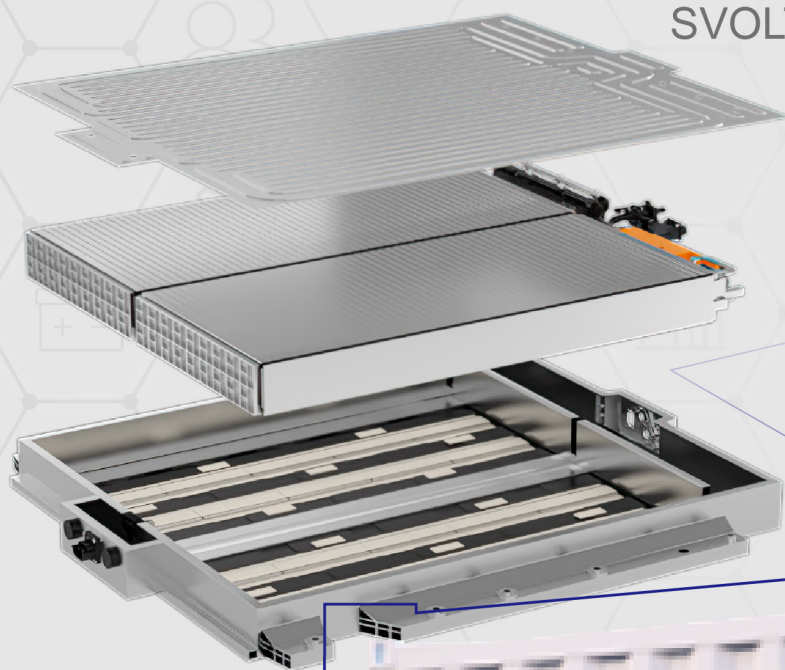




2022

Environmental, Social and Governance (ESG) Report

SVOLT Energy Technology Co., Ltd.

The SVOLT logo is displayed on the side of a white, corrugated metal container. The logo consists of the word "SVOLT" in a bold, blue, sans-serif font, with the letter "V" highlighted in yellow. The container has a vertical ribbed texture and a small, white, rectangular object is visible on its side.

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About This Report

Introduction

This is the first Environmental, Social and Governance (ESG) report published by SVOLT Energy Technology Co., Ltd. (hereinafter referred to as "this report") to disclose and demonstrate to stakeholders the company's performance in the areas of environment, society and governance. This report has been reviewed by the company, which is responsible for the authenticity and validity of the information contained herein.

Reporting Period

This report covers the period from 1st January 2022 to 31st December 2022, unless otherwise specified. In order to ensure the completeness of the report, certain information has been extended beyond this scope.

Scope of the Report

This report covers SVOLT Energy Technology Co., Ltd. and its subsidiaries and branches. The data disclosure scope is consistent with the consolidation statement scope of the financial statements. Any content with a different scope will be specified in the report.

Data Disclosure

All information and data in this report come from the company's official documents and publicly disclosed files. The financial data cited in the report is based on the annual report. Unless otherwise specified, the currency amounts involved are denominated in RMB.

Criteria of the Report

Sustainable Development Report Standard of the Global Reporting Initiative (GRI)

Guidelines on Environmental Information Disclosure of Listed Companies' of the Shanghai Stock Exchange (SSE)

Compilation Guidelines on Corporate Social Responsibility Reports of the Shanghai Stock Exchange (SSE)

Guidelines on Environmental, Social and Governance Reporting of the Hong Kong Stock Exchange (HKEX)

Sustainability Accounting Standards Board Standards (SASB Standards)

ISO 26000:2010 Guidance on Social Responsibility

EU Corporate Sustainability Reporting Directive (CSRD)

Title Explanations

Company Name	Abbreviation
SVOLT Energy Technology Co., Ltd	SVOLT, Company, and We
Dr. Octopus Intelligent Technology (Shanghai) Co., Ltd.	Dr. Octopus
SVOLT Energy Technology (Wuxi) Co., Ltd	Wuxi subsidiary
SVOLT Energy Technology (Suining) Co., Ltd	Suining subsidiary
SVOLT Energy Technology (Chengdu) Co., Ltd	Chengdu subsidiary
SVOLT Energy Technology (Baoding) Co., Ltd	Baoding subsidiary

Report Publication

This Report is issued electronically and will be available on the company's official website (www.svolt.cn).

Feedback from Readers

To continuously enhance the company's ESG management, improve the quality of ESG information disclosure, and promote the practical implementation of ESG development principles, we invite readers to provide feedback on this report. We value your opinion and encourage you to share your thoughts by completing the "Reader's Opinion" form in Appendix. Please kindly send the completed form to the company email address at ESG@svolt.cn.

Chairman's Statement



Green and low-carbon development has become a global trend. China has also set clear goals and visions of peak carbon emissions and carbon neutrality, pointing the way forward for our energy revolution and transformation. Against this backdrop of energy change, a brand new intelligent electric vehicle industry is rapidly emerging, and the market for electric vehicle power sources – batteries – is also expanding at speed, with immense potential as it enters the TWh era. Capturing this historic opportunity, SVOLT remains committed to our core values of "Customers First, Striver-Focused, Innovation-Rooted, Synergy-Supported", diligently cultivating the battery and energy storage system sector to facilitate the global energy transition and green ecological development.

2022 was a fruitful year for us. The establishment of our Shanghai R&D center, Dr. Octopus Intelligent Technology (Shanghai) Co., Ltd., will boost SVOLT's global R&D footprint and industry competitiveness. Our second overseas plant in Brandenburg, Germany will create greater value for the globalization of electric vehicles and sustainable transportation. The official production launch of our Suining base marks a major milestone in SVOLT's Southwest China strategic layout. The official mass production of our 0.125S high-speed stacking technology 3.0 will lead the battery industry into the stacking era. Our Dragon Armor battery will better address battery safety issues and optimize safety performance. Over the past year, we have received numerous prestigious titles, including the 2022 Hurun Global Unicorn List, Green Factory of Jiangsu Province and Top 50 Innovative Companies in China 2022 by Forbes. SVOLT is steadily advancing towards its vision of becoming a global leading energy interconnection technology company.

Innovation is the core of market competitiveness for any company with drive and ambition. SVOLT is committed to cutting-edge battery technology research and breakthroughs. Since becoming independent in 2018, we have upheld the enterprise spirit "Driven by Innovation", aiming to become battery experts who best understand electric vehicles. Whether spearheading high-speed stacking technology, delivering the industry's first automotive-grade smart manufacturing plant with AI, or achieving major breakthroughs in basic materials R&D with the launch of the world's first cobalt-free battery, SVOLT's innovative strides have never faltered. We are gradually building R&D centers in China, Japan, Korea, Germany and elsewhere, with R&D spanning advanced materials, technologies, processes, BMS and more, accumulating over 5000 patent applications.

Green hills and clear waters are necessities for quality development in a low-carbon future. SVOLT responds proactively to China's "dual carbon" goals, actively formulated carbon neutrality plans and management mechanisms, rooted green and low-carbon concept into the genes of enterprise development. In 2022, we sought decarbonization path across the product life cycle, targeting supply chain management, smart logistics and more to reduce greenhouse gas emissions. We carried out 49 energy-saving technology transformation projects in five categories, which includes: process/equipment upgrades, optimized resource allocation, lean management, repair and maintenance, and surplus recycling. We were proactively leading investment into the lithium-ion industry chain, built SVOLT Dazhou's zero-carbon lithium-ion industry park, dedicated to comprehensive utilization of wind, solar,

storage and charging to achieve zero-carbon operations.

Giving back to society is an indispensable corporate responsibility. As a battery R&D and manufacturing company, we recognized the importance of compliance, safety and health in the supply chain. While continuously empowering sustainable supply chain management, we respond swiftly to customer needs and elevate customer service, jointly promoting sustainability. In 2022, we contributed resources to support education, and under local government guidance, paired up with Yueyang Village in targeted poverty alleviation, helping to achieve common prosperity. Internally, we consistently prioritize employee rights, benefits and well-being. Alongside non-monetary benefits, we provide employees with comprehensive development channels, aligning corporate growth with employee growth.

"Green Energy Everywhere" is the mission of SVOLT. In the future, we will continue upholding ESG principles, elevating our market competitiveness and brand value while achieving more technological innovations, quickly building a new energy industry ecosystem of co-creation, sharing and win-win.

Chairman of SVOLT

Hongxin Yang

About SVOLT

Company Profile

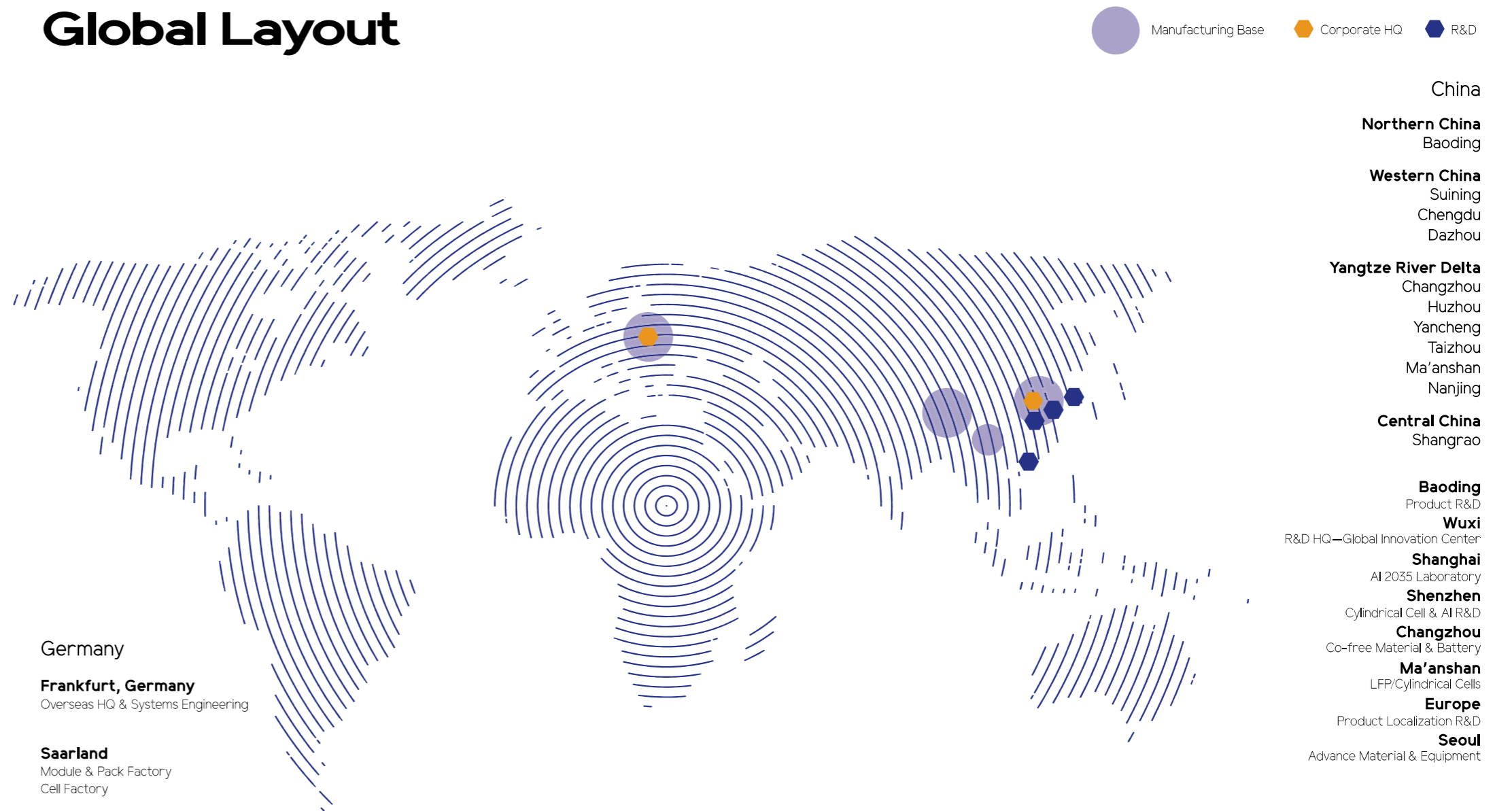
SVOLT Energy Technology Co., Ltd. was established in February 2018, headquartered in Changzhou, Jiangsu Province. The company is a professional lithium-ion battery system provider, focusing on R&D, production and sales of power batteries for new energy vehicles and energy storage battery systems. The company's main products include cells, modules, battery packs and energy storage battery systems. We provide a suite of power battery and energy storage solutions tailored to customer needs.

Since inception, SVOLT has upheld an "Driven By Innovation" spirit. We efficiently invest in R&D and innovation, establishing a comprehensive R&D system and an experienced, diligent, professional R&D team. Our core technologies in battery materials, production processes and more are industry-leading. Leveraging these core advantages, we continue improving our expertise, integrating industry and customer resources, and fully unleashing the initiative of our management and technical teams. We are steadily building unique strengths in product portfolio, manufacturing, supply chain and low-carbon ecosystems, gradually achieving our vision of "To Be a Global Energy Interconnection Technology Company".

Global Presence and Planning

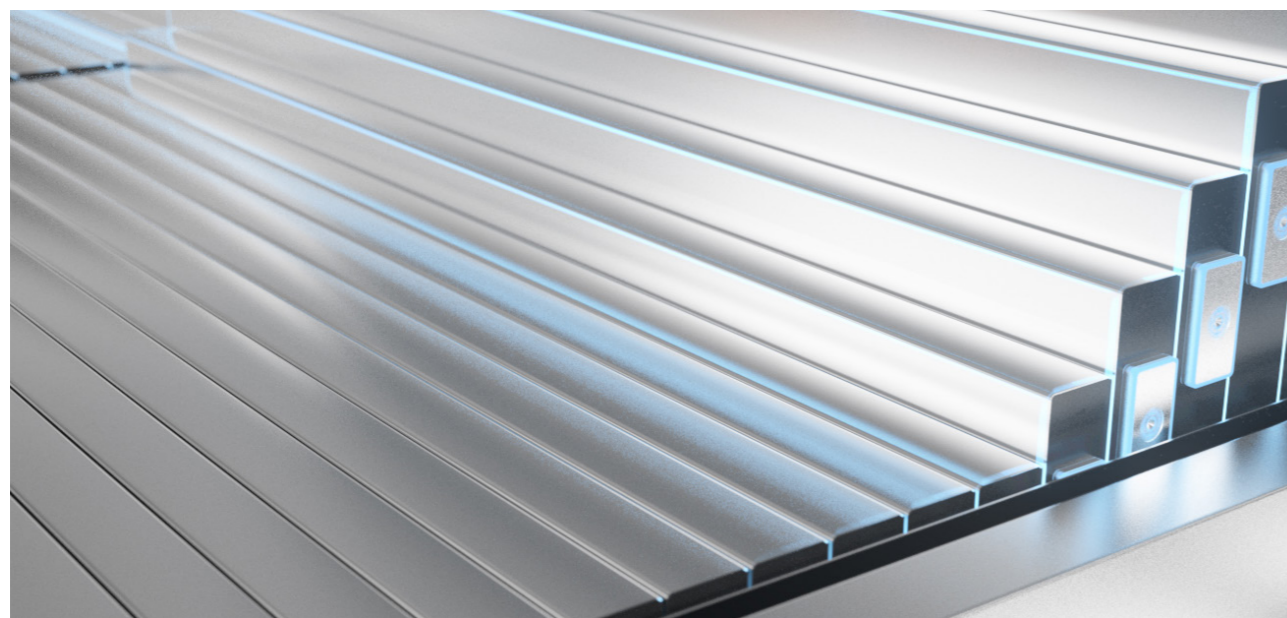
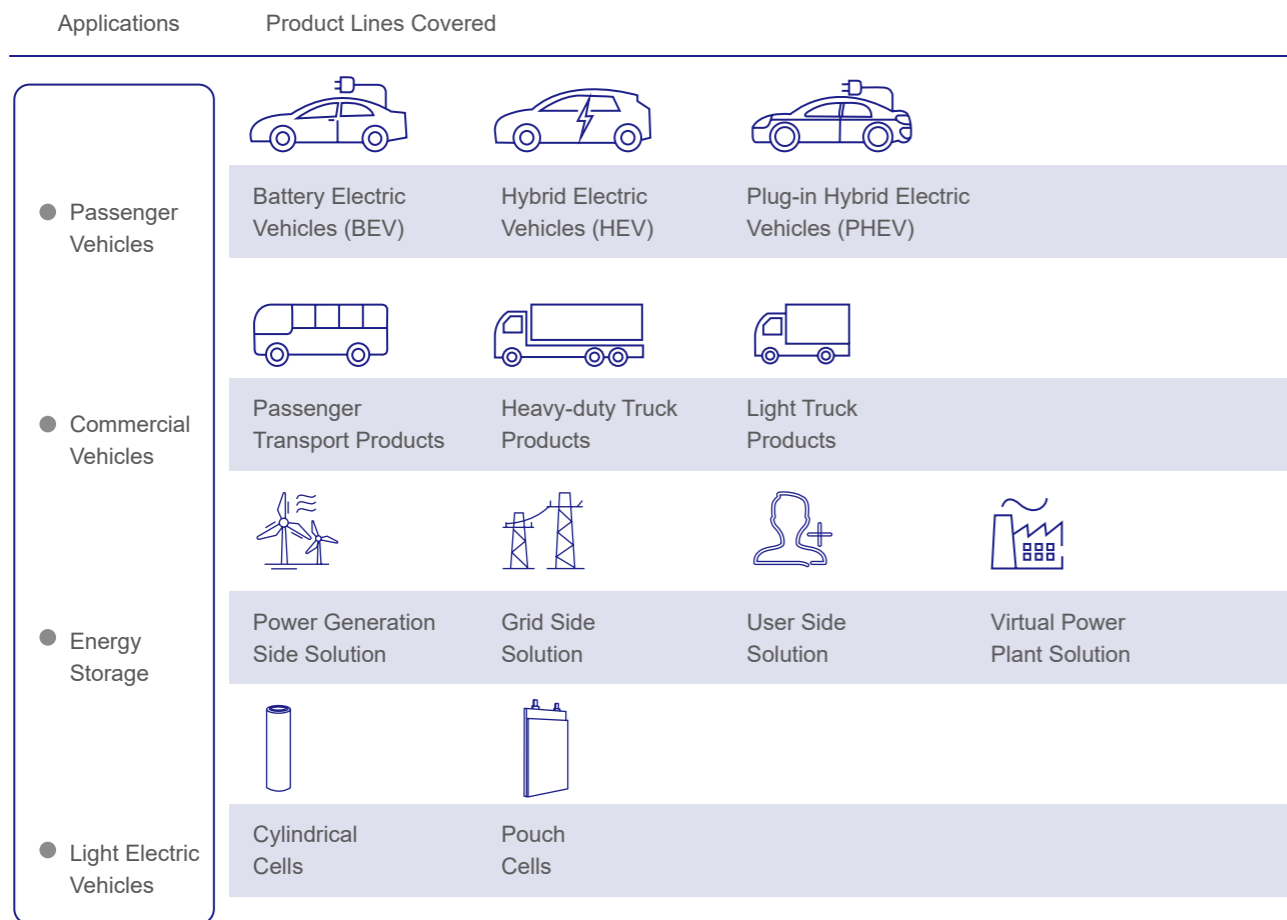
SVOLT is headquartered in Changzhou, Jiangsu Province. Globally, we have twelve major battery production bases in Jintan, Huzhou, Taizhou, Ma'anshan, Shangrao, Dazhou, Suining, Chengdu, Baoding, Lishui, Yancheng and Saarland (including those under construction and planned), alongside R&D centers in Shanghai, Wuxi, Shenzhen, Ma'anshan, Baoding, Seoul, Europe and elsewhere.

Global Layout

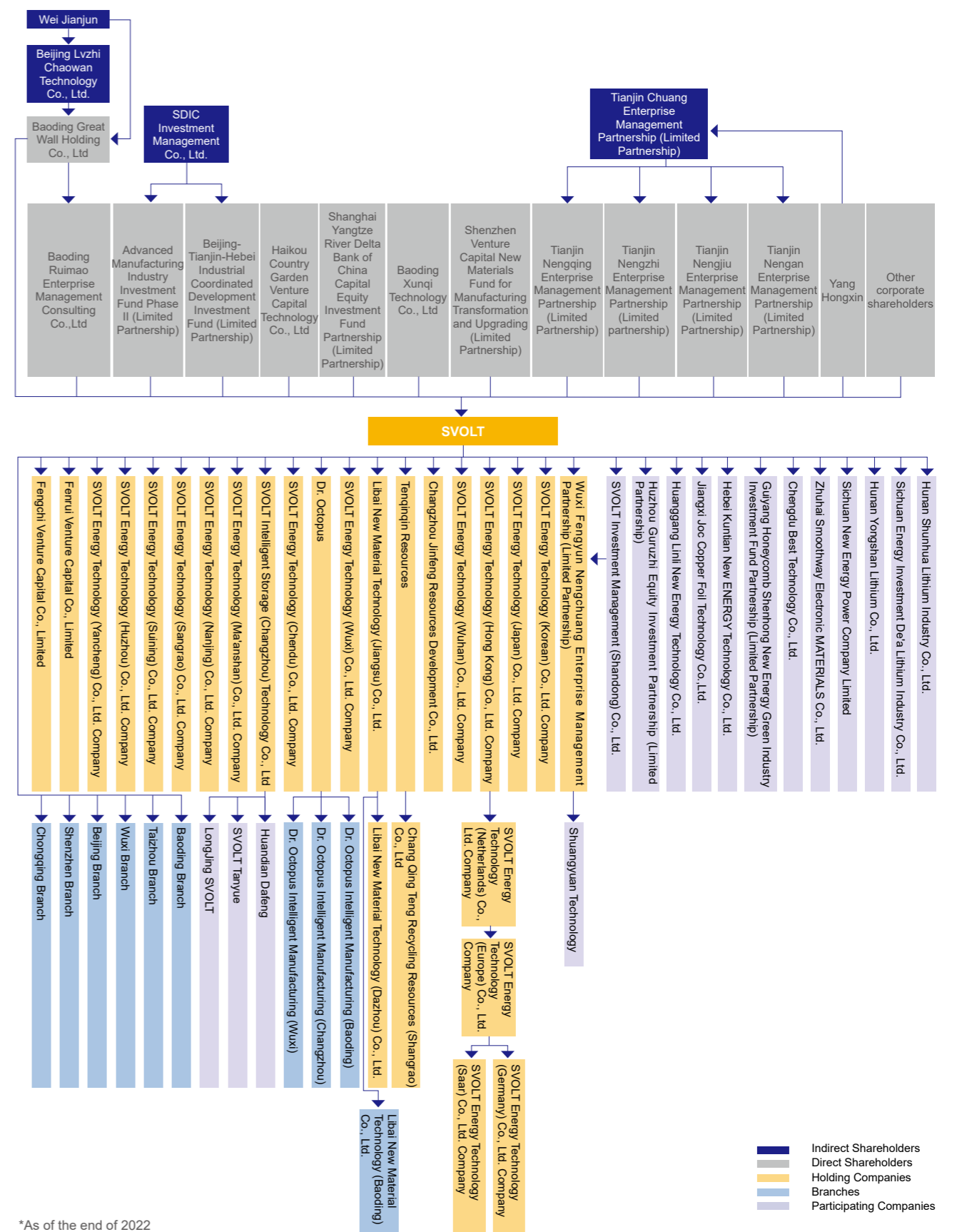


Market Applications

As a company engaged in R&D, production and sales of power batteries for new energy vehicles and energy storage battery systems, our products are widely applied in passenger vehicles, commercial vehicles, energy storage, and light electric vehicles.



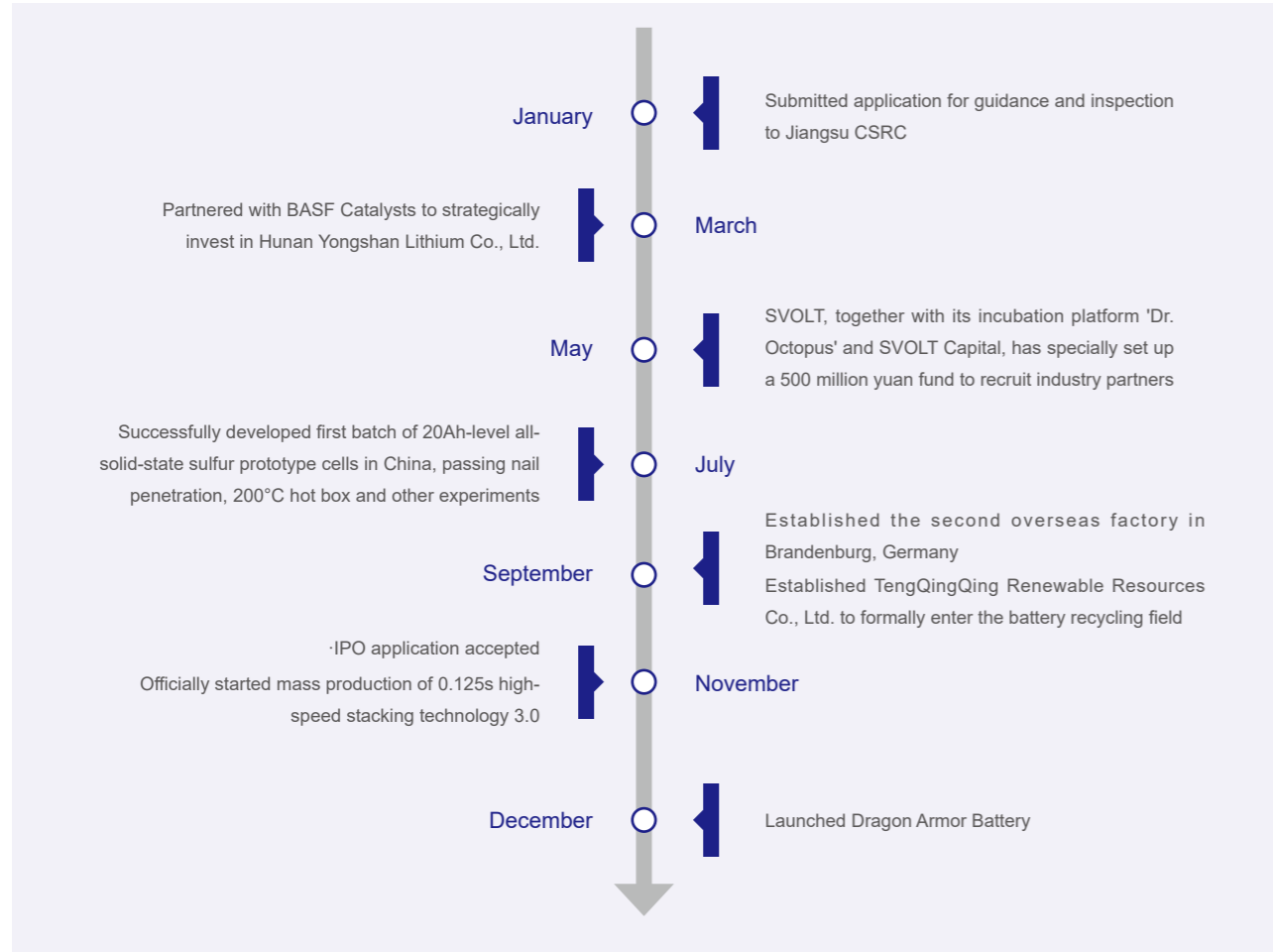
Organizational Structure



*As of the end of 2022

- Indirect Shareholders
- Direct Shareholders
- Holding Companies
- Branches
- Participating Companies

Key Events in 2022



Corporate Culture



Honor and Awards

Forbes China 2022
SVOLT Energy Technology Co., Ltd. selected as one of Forbes China's Top 50 Innovative Companies 2022



Hurun Report
SVOLT Energy Technology Co., Ltd. recognized in the Hurun Global Unicorn List 2022



MIT Technology Review
SVOLT Energy Technology Co., Ltd. listed among MIT Technology Review's 50 Smartest Companies of 2021



Jiangsu Provincial Department of Industry and Information Technology
SVOLT Energy Technology Co., Ltd. awarded the "Green Factory" title by Jiangsu Provincial Department of Industry and Information Technology



Changzhou Bureau of Industry and Information Technology, Jiangsu Province
SVOLT Energy Technology Co., Ltd. honored with the "Green Factory" title by Changzhou Bureau of Industry and Information Technology



Safety Production Committee of Xishan Economic and Technological Development Zone
SVOLT Energy Technology (Wuxi) Co., Ltd. recognized as an Advanced Enterprise in Safety Production in Xishan Economic and Technological Development Zone for the year 2021



Office of the Leading Group for Pollution Control and Environmental Governance in the Development Zone
SVOLT Energy Technology (Wuxi) Co., Ltd. awarded as an Advanced Enterprise in Ecological Environment Work in Xishan Economic and Technological Development Zone for the year 2021

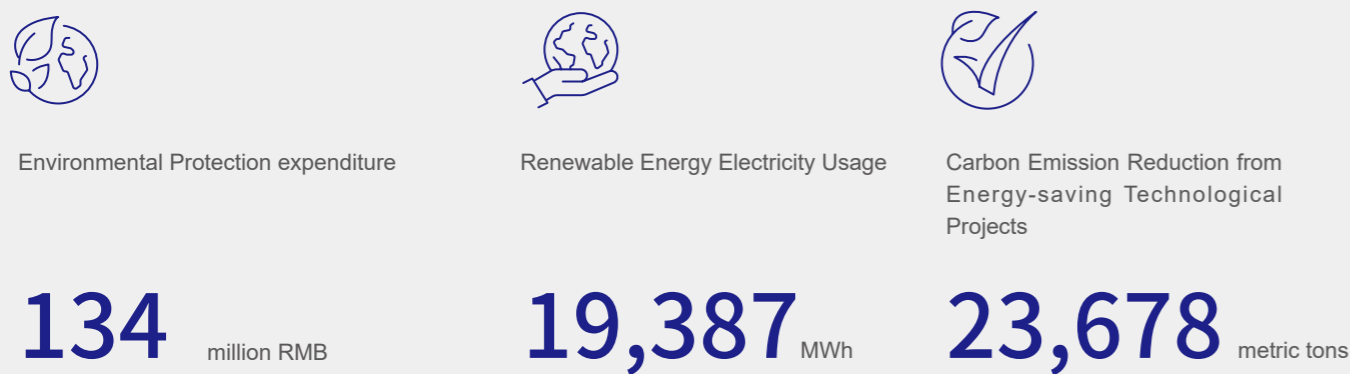


Key Performance in 2022

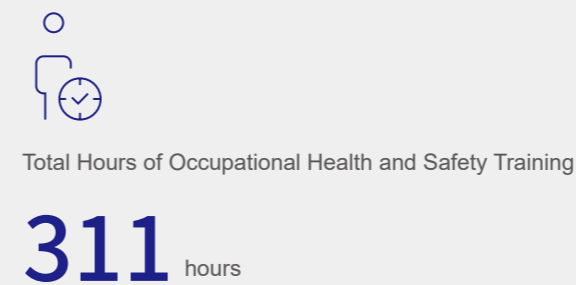
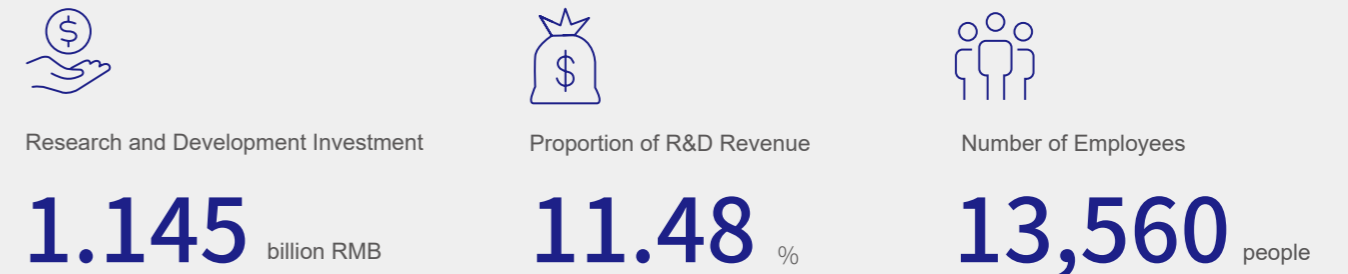
Economic Performance



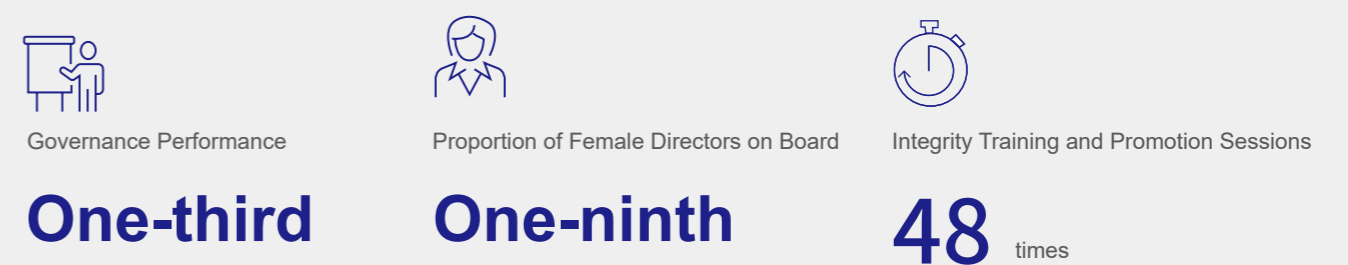
Environmental Performance



Social Performance







Governance Performance



Material Issues Analysis

Stakeholder Communication

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

Key Stakeholders	Major Expectations	Channels of Engagement
 Customers	Reliable products Quality services Contract compliance Business ethics	Customer technical exchange meetings, new product launch events Industry exhibitions, technical seminars Official website
 Employees and Labor Union	Career development Health and safety Compensation and benefits Protection of Rights and Interests	Employee representative meetings and Labor union committee Training programs SVOLT Complaint Reporting Mini-App Employee representative meetings, employee activities, employee clubs
 Shareholders and Investors	Investment returns Financial stability	Investment returns Financial stability
 Suppliers and Partners	Green supply chain Win-win cooperation Business ethics Contract compliance	Supplier training, supplier environmental assessments Supplier website platforms, supplier conferences Supplier code of conduct, transparent procurement
 Government and Regulatory Authorities	Tax contributions Employment contributions Industrial development Regulatory compliance	Supervision and inspections Policy recommendations
 Communities and Non-Governmental Organizations (NGOs)	Environmental protection Rights protection Safety production Promoting sustainable development	Proactive community engagement, participation in project collaborations Charitable donations, public welfare activities Participation in industry associations, societies, corporate open days
 Media	Information transparency Smooth communication	News coverage Executive-level interview

Material Issue Identification

SVOLT regularly conducts ESG materiality analysis to effectively respond to the expectations and demands of stakeholders and continuously improve ESG management.

In 2022, the company distributed materiality survey questionnaires to stakeholders, receiving priority rankings of issues and improvement suggestions from various groups. 89 valid questionnaires were collected in total. Referencing international and domestic standards and guidelines, ratings focuses, policy trends, and industry benchmarks, while incorporating the company's development strategy, interviews, external consulting and more, SVOLT identified and determined 30 highly relevant issues and mapped the materiality matrix.

Metrics of SVOLT's Material ESG Issues in 2022





01

RATIONAL MANAGEMENT AND COMPLIANCE OPERATIONS

Material Issues Addressed

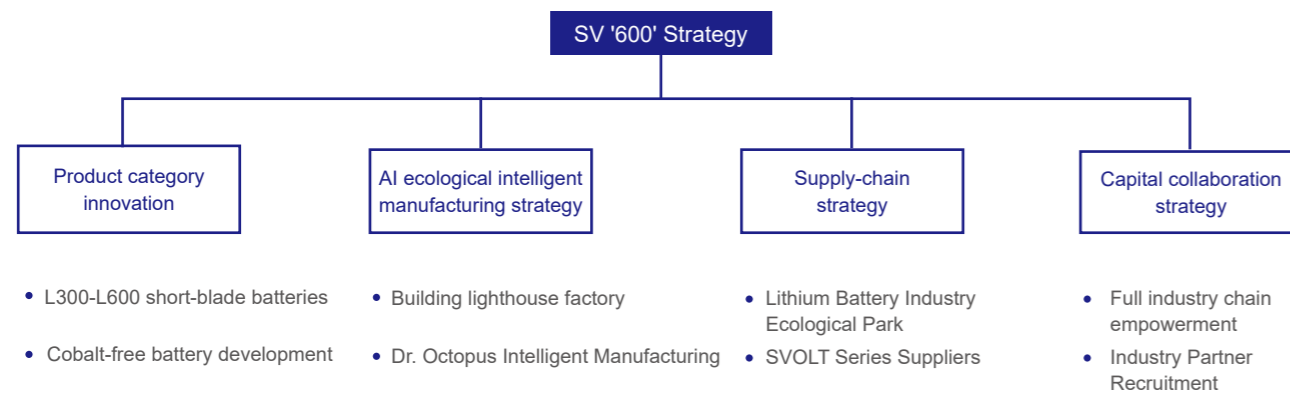
- Corporate Governance
- ESG Governance
- Anti-corruption
- Intellectual Property Protection
- Fair Competition
- Investor Relation Management

SVOLT attaches importance to building a sound corporate governance system, actively exploring best practices, focusing on strategic guidance, strengthening governance structure, reinforcing compliance mechanisms, upholding business ethics, safeguarding investor rights, and laying a solid foundation for sustainable development.

Scientific Governance and Compliant Operations

Strategic Guidance

SVOLT adheres to strategic guidance, formulating the "SV '600' Strategy + Four Supporting Strategies". With competitive edge as the cornerstone, we have achieved high-speed growth and important breakthroughs in the new energy field.



SV '600' Strategy + Four Supporting Strategies

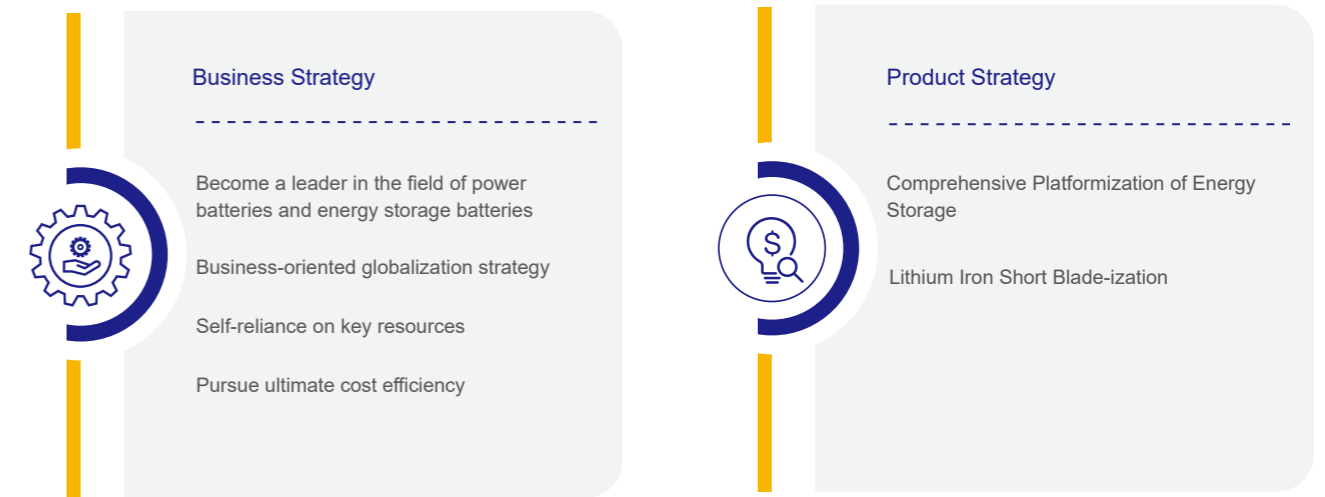
Long-term Strategic Direction

With the mission of "driving safety, efficiency, clean and low-carbon, smart and eco-friendly mobility and energy societal change", and upholding our original aspiration to "make sustainable energy easily accessible and usable for humankind", SVOLT focuses on high-quality passenger vehicle customers, actively explores domestic and overseas markets, provides customers with higher-quality products and services, and continuously enhances our brand reputation.

Leveraging our proprietary strengths in stacking, cobalt-free green batteries, automotive-grade AI manufacturing technologies and processes, we take power batteries as the core to innovate a major business model for the new energy ecosystem and build a new energy industry chain. We promote smart manufacturing and integrate strategies across the industry chain encompassing renewable energy, smart grids, 5G and energy storage. With technology leadership, product leadership and cost leadership, we strive to become a globally leading sustainable energy solutions provider.

On the product side, SVOLT has launched a new product category of series Blade Battery, and will implement full-domain electrification with Blade Batteries going forward. As a Chinese power battery companies, SVOLT will accelerate factory construction, production ramp-up, industrial layout, and technology iteration to rapidly expand the competitiveness of Chinese lithium batteries globally, committed to becoming a globalized brand.

Short-term Strategic Direction



Corporate Governance

The company strictly abides by the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other laws and regulations. We have formulated the Articles of Association and established a scientific, standardized, accountable, balanced and effective corporate governance mechanism.

Shareholders' General Meeting

The General Meeting of Shareholders performs its rights and obligations in accordance with the Company Law, Articles of Association, Rules of Procedure for Shareholders' General Meetings, and relevant laws and regulations. The Shareholders' General Meeting operates in compliance with the requirements for convening meetings, voting procedures, and resolutions. In 2022, the company's shareholders carefully reviewed and deliberated on various proposals during the Shareholders' General Meeting, including the revision of the Articles of Association, significant institutional development, major operational investments and financial decision-making, appointment of directors and supervisors, decisions on initial public offering and listing of shares, and the use of raised funds. The power was exercised strictly in accordance with the relevant regulations, and all proposals of the Shareholders' General Meeting were approved.

Board of Directors

The company has formulated Rules of Procedure for the Board of Directors. Directors are responsible for exercising authority stipulated in laws, regulations and Articles of Association. Female directors account for one ninth of the Board, independent directors account for one third. In 2022, the Board convened 10 meetings. 89 person-times were required to attend, with 100% attendance of 89 person-times. 84 proposals were reviewed.

Board of Directors Composition

Yang Hongxin	Male	Chairman	Industry Expert
Wei Jianjun	Male	Director	Industry Expert
Ma Liyong	Male	Director	Accounting Background
Wu Bo	Male	Director	Financial Background
Du Shuo	Male	Director	Financial Background
Liu Xiaohan	Male	Employee Representative Director	Industry Expert
Li Qiping	Male	Independent Director	Accounting Background
Huang Xuejie	Male	Independent Director	Industry Expert
Cheng Yan	Female	Independent Director	Management Expert

Independent Directors

SVOLT has formulated the Independent Director System to strengthen constraints and oversight of internal directors and management. The company standardizes the qualifications and independence of independent directors, empowering them with special rights including proposing appointment or dismissal of accounting firms, and requesting convening of extraordinary shareholders' meetings, while providing work safeguards for them.

Board Committees

The Board has established the Remuneration and Assessment Committee, Audit Committee, Nomination Committee and Strategy Committee. These committees exercise respective powers stipulated in the Articles of Association and Rules of Procedure for the Board of Directors, and are accountable to the Board. Committee members are all directors. Meanwhile, Rules of Procedure of the Strategy Committee, Rules of Procedure of the Audit Committee, Rules of Procedure of the Nomination Committee, and Rules of Procedure of the Remuneration and Appraisal Committee have been formulated to stipulate the composition, responsibilities and authorities as well as rules of procedure of each special committee.

In 2022, SVOLT held two meetings of Audit Committee, one meeting of Nomination Committee and one meeting of Strategy Committee. The committees fulfilled their responsibilities and safeguarded the legal rights and interests of the company, shareholders and creditors.

Board of Supervisors

SVOLT has formulated Rules of Procedure for the Board of Supervisors. Supervisors are responsible for exercising powers stipulated in laws, regulations and Articles of Association. The Board of Supervisors has 3 members including 1 employee supervisor. In 2022, the Board of Supervisors held 3 meetings. 9 person-times were required to attend, with 100% attendance of 9 person-times. 29 proposals were reviewed with supervisory duties effectively fulfilled.

Board of Supervisors Composition

Song Yuemei	Female	Chairperson of the Supervisory Board
Liu Ziqian	Male	Supervisor
Li Jinzhao	Male	Employee Representative Supervisor

Senior Management

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

Senior Management Composition

Yang Hongxin	Male	Chairman of the Board, General Manager
Wang Zhikun	Male	Vice General Manager, Board Secretary
Ma Liyong	Male	Director, Vice General Manager, Chief Financial Officer
Zhang Fangnan	Male	Vice General Manager

Internal Control Management

Internal Control

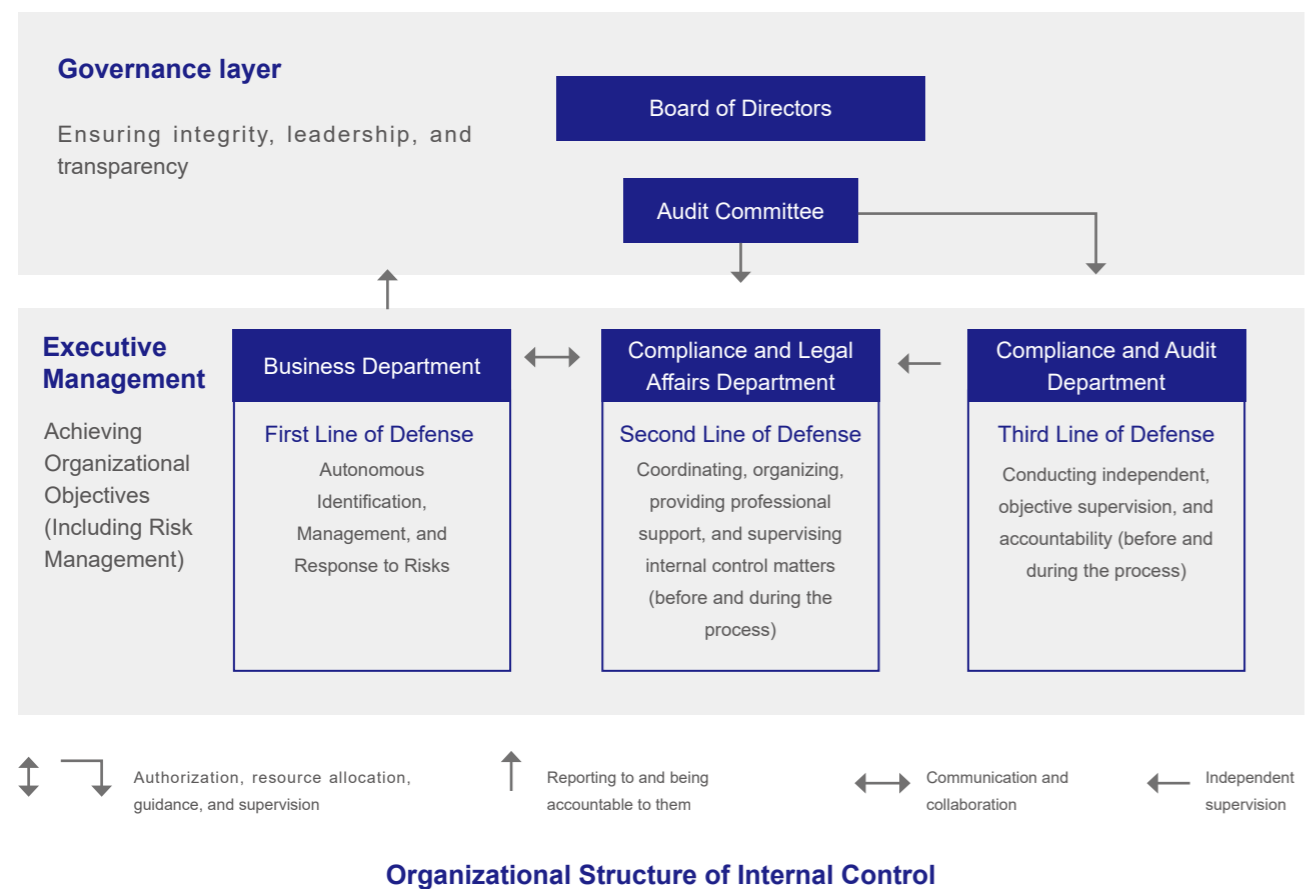
The company has established and improved internal control and risk management systems, formulating Internal Control Management Rules and setting internal control objectives to effectively implement and supervise internal controls, promoting the company's sustained, stable, healthy development, and enhancing risk prevention capabilities.

Internal Control System Building

The company's internal control system is risk assessment-based, adopting the internal control framework of the Basic Internal Control Norms for Enterprises structured on five elements: internal environment, risk assessment, control activities, information and communication, and internal oversight.

Internal Control Organizational Structure

The company has established an internal control organizational system with the Board of Directors as the highest decision-making body. The Audit Committee is responsible for reviewing corporate internal controls, the Board of Supervisors serves as the supervisory body, while various centers, departments, branches and subsidiaries execute specific internal control work as the implementation layer.

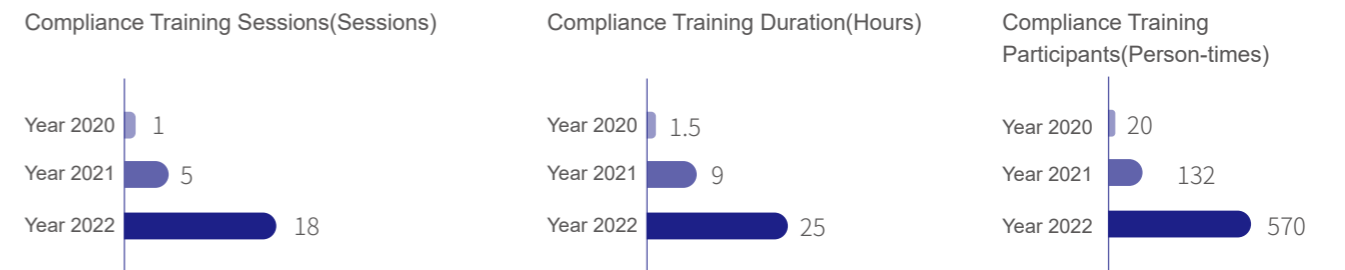


Compliance Management

The company has formulated and released the SVOLT Global Compliance Manual as guidelines and fundamental principles for comprehensive compliant operations, and the basis for developing other compliance systems and business compliance norms, to regulate compliant conduct company-wide. The highest leader of each unit/department serves as the primary person in charge of compliance, accepting regular compliance evaluations by management and key personnel. The evaluation results are an important basis for management appointment, employee commendation and rewards/penalties.

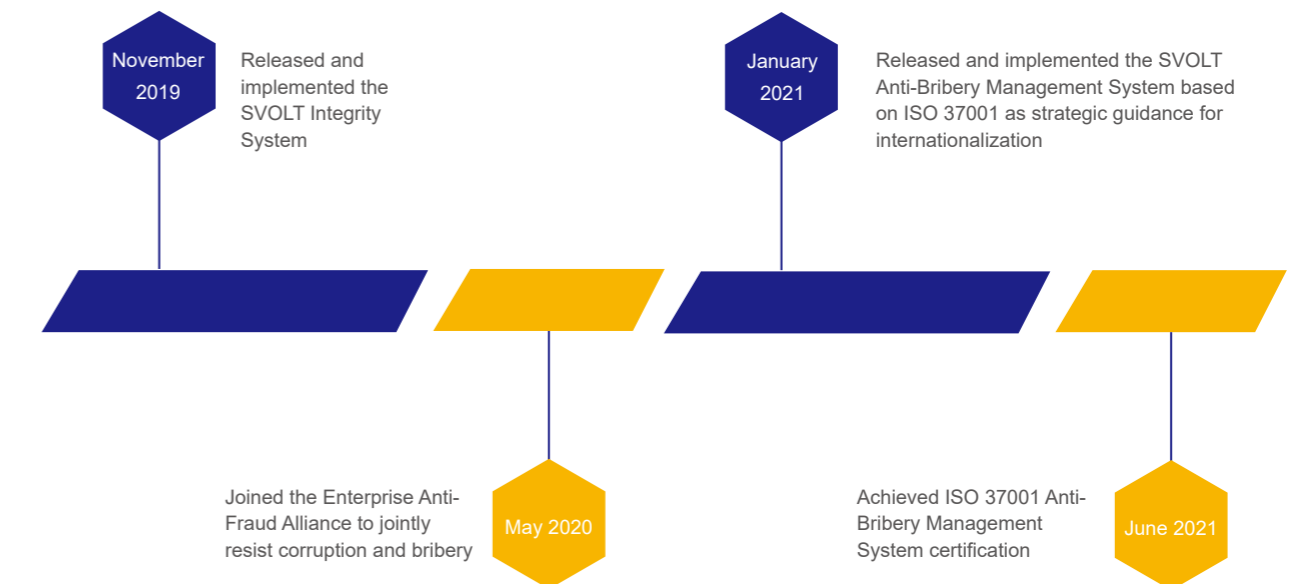
Meanwhile, SVOLT has identified 10 key compliance elements closely related to operations as the organizational safeguard for compliance management, including the compliance management system, internal control management, IP compliance, ESG management, HR compliance, cross-border data compliance, business secrets, business partner integrity management, complaint and reporting channels, and cultivation of a compliance culture.

Through diverse mediums, SVOLT propagates its compliance culture, combined with rule of law education, establishing institutionalized, regular compliance training mechanism. This drives all employees to receive compliance training and grasp compliance knowledge, external compliance requirements, internal rules and regulations and risk control requirements. In 2022, the company held 18 compliance training sessions totaling 25 hours, with 570 person-times.



Integrity Building

SVOLT abides by national laws and regulations, operating compliantly and upholding integrity and honesty. Internally, we are committed to building a "fair, just, simple and transparent" work environment. Externally, we take "sunshine integrity" as the principle for building an integrity system. There were no corruption cases in 2022.



Internal Audit

SVOLT proactively carries out business ethics audits and anti-corruption monitoring, combined with publicity, self-inspection, regular checks and visits to prevent and combat violations and misconduct. In 2022, 19 audit projects were undertaken, identifying 261 risks and system issues, achieving 100% coverage of key business segments, and 100% organizational coverage of bribery risk identification across various centers.

System Certification

As the first company in China's new energy industry to achieve ISO 37001 Anti-Bribery Management System certification, SVOLT has fully implemented anti-bribery policies and goals based on ISO 37001.



Whistle-blower Protection

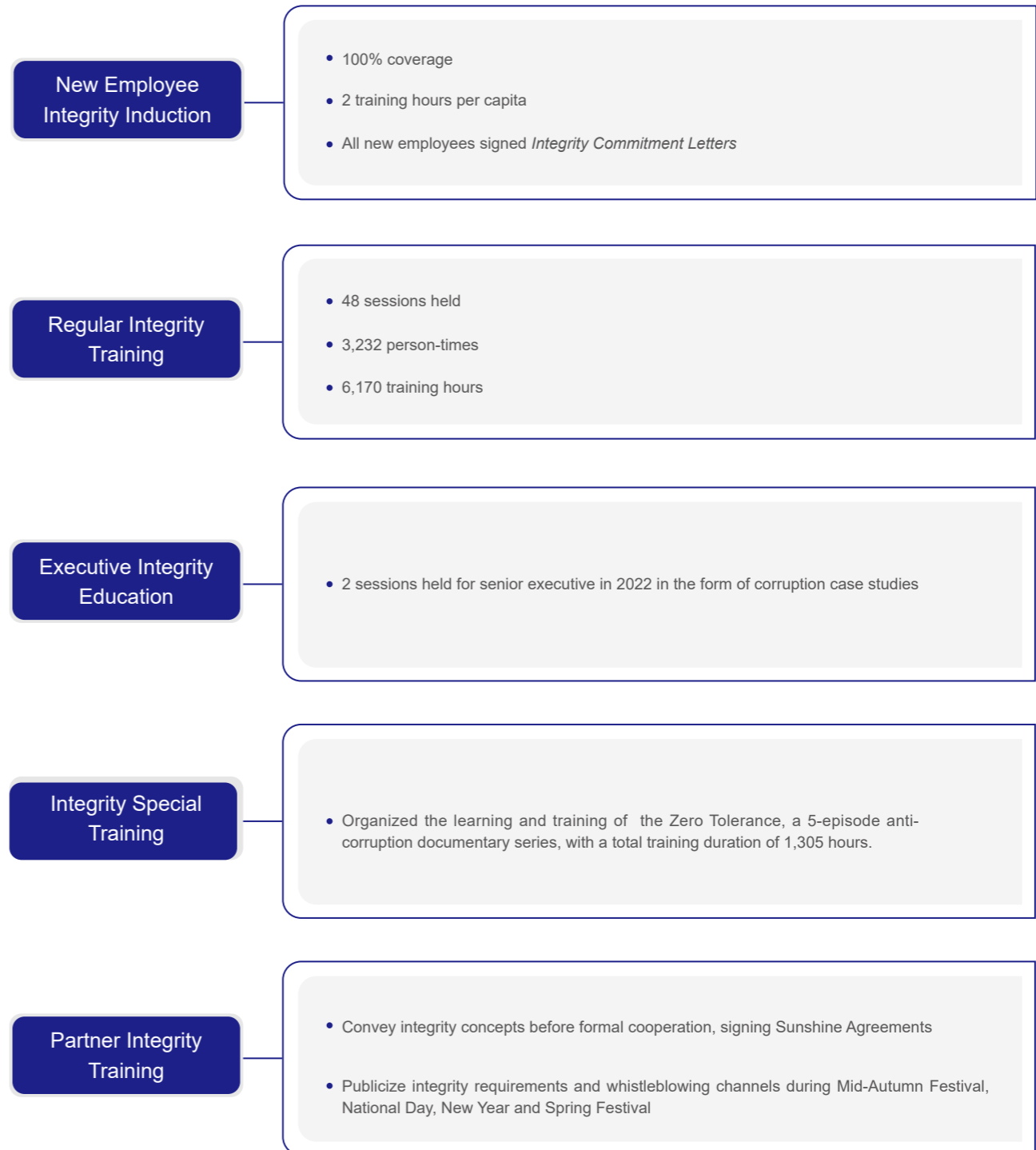
SVOLT empowers all employees to oversee and supervise, with robust whistleblowing and investigation protocols. From employees to partners, anyone can report issues and safeguard rights through the whistleblowing channels. SVOLT has formulated the Whistleblowing Control Procedure and Investigation and Handling Control Procedure to clarify the whistleblowing channels, requirements of confidentiality, incentives and penalties, rights and obligations of investigators and investigated, and related regulatory requirements, encouraging whistleblowing on violations and misconduct that damage integrity.



SVOLT has set up whistleblowing bulletin, desk signs/cards, integrity reminders and more.

Anti-Corruption Training

SVOLT attaches importance to employee anti-corruption education, with training courses including New Employee Integrity Induction, Integrity Training for Group Leaders, Integrity Training for Key Integrity Positions, and Regular Integrity Training, creating an integrity and compliance culture with employees and partners. By the end of 2022, 46 corporate-level integrity lecturers have been selected and certified. In 2022, average per capita anti-corruption training reached 2.64 hours, directors averaged 2.44 hours.



Fair Competition

SVOLT highly values fair competition, continuously strengthening anti-monopoly and anti-unfair competition management to actively maintain a fair and orderly market environment. The company handles unfair competition issues in a timely manner according to the Anti-Unfair Competition Law of the People's Republic of China and related judicial interpretations, while proactively preparing relevant internal systems. In 2022, there was 1 related case. A settlement was reached, and the company formulated follow-up optimization measures, strengthening verification of whether job candidates from the same industry are within non-compete periods, and refusing to hire personnel with competitive restrictions.

Intellectual Property Protection

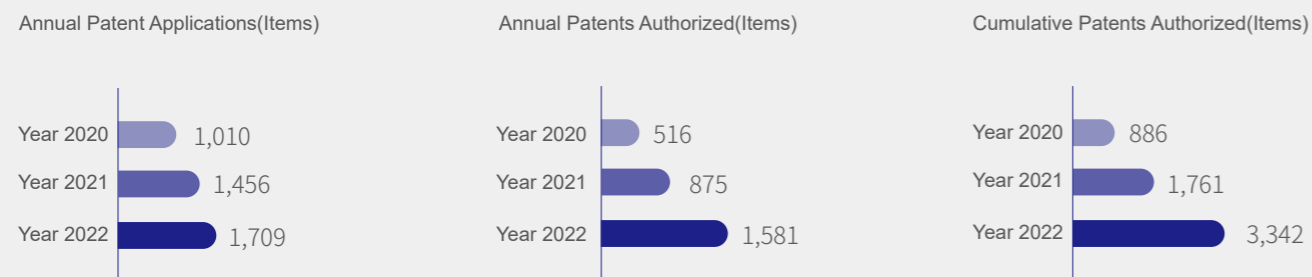
SVOLT has formulated policies including the Patent Management Regulations, Patent Abandonment Management Regulations, Patent Incentive Management Regulations, Copyright Management Regulations, Patent Application Management Regulations, and Intellectual Property Risk Management Regulations to standardize identification and response measures for IP risks during product/technology R&D, reducing infringement risks and safeguarding business freedom for Company products.

The company proactively applies for patents, strictly controls and improves the patent quality and eliminates low-value patents. Relying on prior review, prioritized review and other policies, we accelerate patent authorization progress. Simultaneously, we conduct patent infringement risk screening according to R&D progress to ensure controllable risks.



The company has been awarded the GB/T29490-2013 Certification of Intellectual Property Management System

Patent Applications and Authorizations



In addition, SVOLT persists in disseminating basic IP knowledge internally to strengthen employee IP protection awareness and reduce the probability of disputes. In 2022, the company held 6 IP training sessions totaling 8 hours, with 3,683 person-times.

Investor Rights Protection

Standardizing Related Party Transactions

SVOLT has formulated the Related Party Transaction Decision System to standardize decision-making powers, review procedures and daily related party transactions, ensuring fairness of related party transactions and protecting investor interests.



02

LOW-CARBON-DRIVEN GREEN FUTURE



Alignment with UN Sustainable Development Goals (SDGs)



Material Issues Addressed

- Environmental Management System
- Greenhouse Gas Emissions
- Climate Change Adaptation and Mitigation
- Emissions and Waste Management
- Resource Management
- Biodiversity Protection
- Opportunities in Clean Tech
- Product Carbon Footprint
- Product Recycling

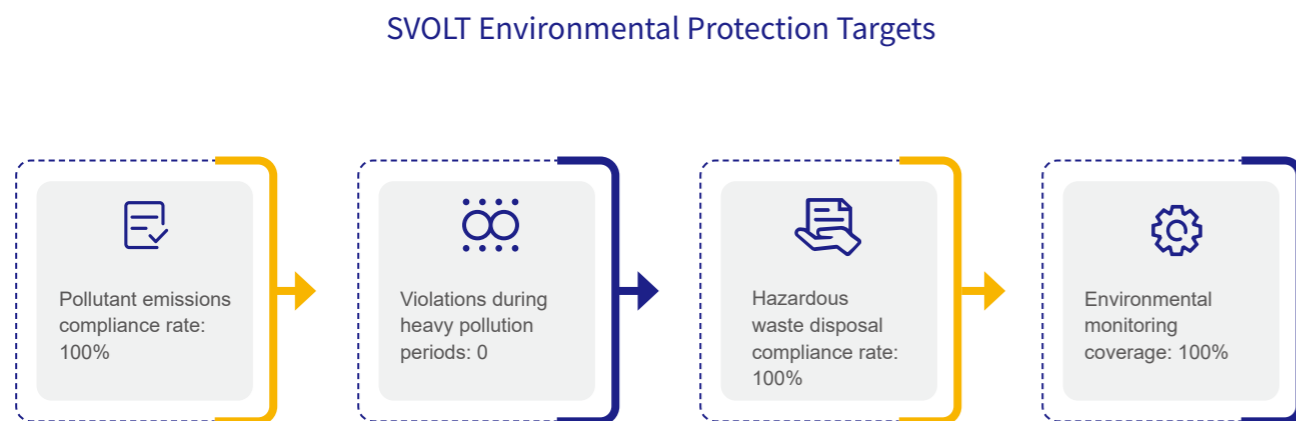
SVOLT steadfastly follows the green development path, continuously optimizing environmental management mechanisms with a focus on energy conservation, emissions reduction, resource management, pollution control, ecological protection and biodiversity. We proactively respond to climate change challenges, enhance climate resilience, and guide all employees to jointly build a green, low-carbon development model from a participatory perspective, tirelessly striving towards an ecological, prosperous green future.

Low-Carbon Drives Green Future

Environmental Management

Environmental Management System

SVOLT proactively formulates EHS work plans, improving organizational structure and business planning while clarifying environmental protection policies and goals, and defining unified EHS management standards.



The company's environmental work is undertaken by the EHS Department. The legal representative is the primary person in charge of EHS, and the department includes 1 Safety and Environmental Management Division manager, 1 environmental engineer, and 6 waste management officers. SVOLT, the Baoding Branch and the Wuxi Branch have achieved Environmental Management System certification to ISO 14001, forming a complete internal environmental management system.

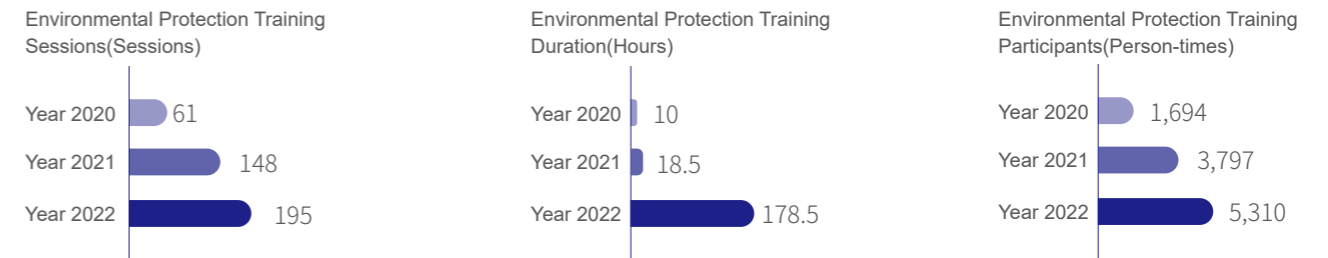


Environmental Protection Knowledge Promotion

SVOLT builds an EHS learning organization, carrying out annual environmental protection knowledge training centered around EHS cultural activities. We also leverage Energy Conservation Publicity Week, National Low-Carbon Day and other themed events to popularize low-carbon knowledge and eco-friendly lifestyles among employees.

In March 2022, the company held an Environmental Protection Month themed event, publicizing environmental concepts and raising environmental awareness among all employees with a focus on environmental knowledge and carbon emissions.

Environmental Protection Training Performance

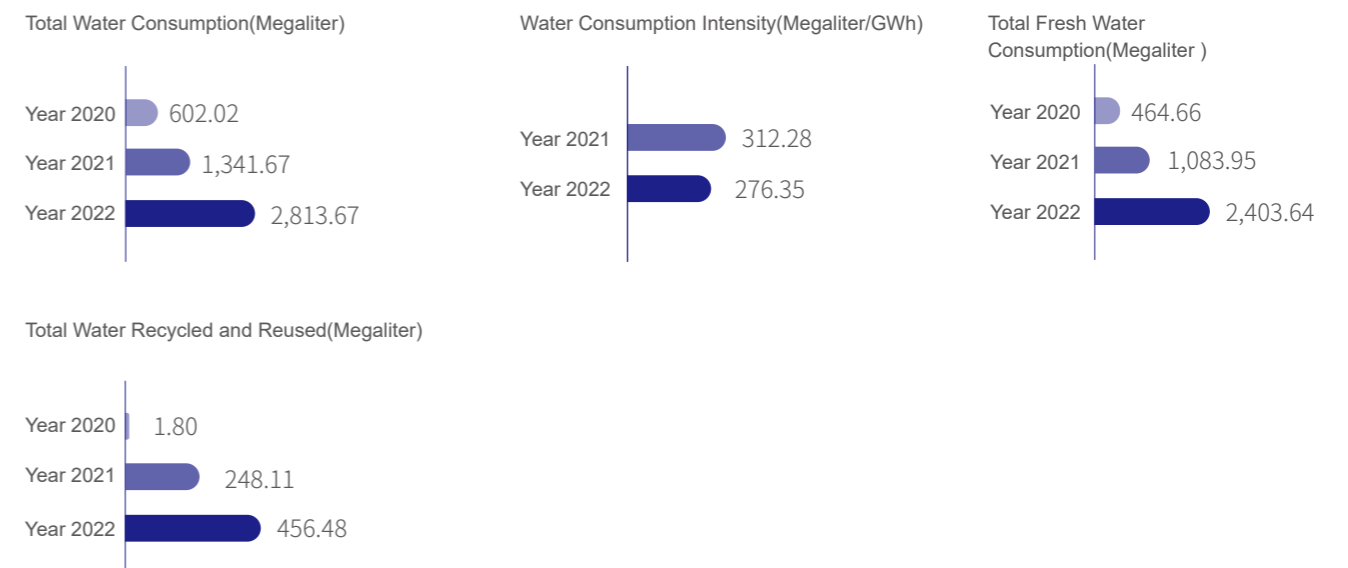


Resource Management

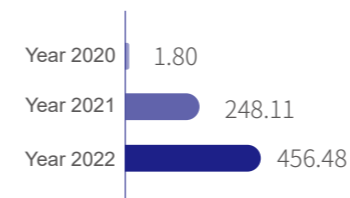
Water Resource Management

SVOLT attaches importance to water conservation management, formulating the Water Use Management Regulations, Water Conservation Post Responsibility System and more to effectively improve water use efficiency and employees' water conservation awareness. In 2022, the company's total water consumption was 2,813.67 million liters.

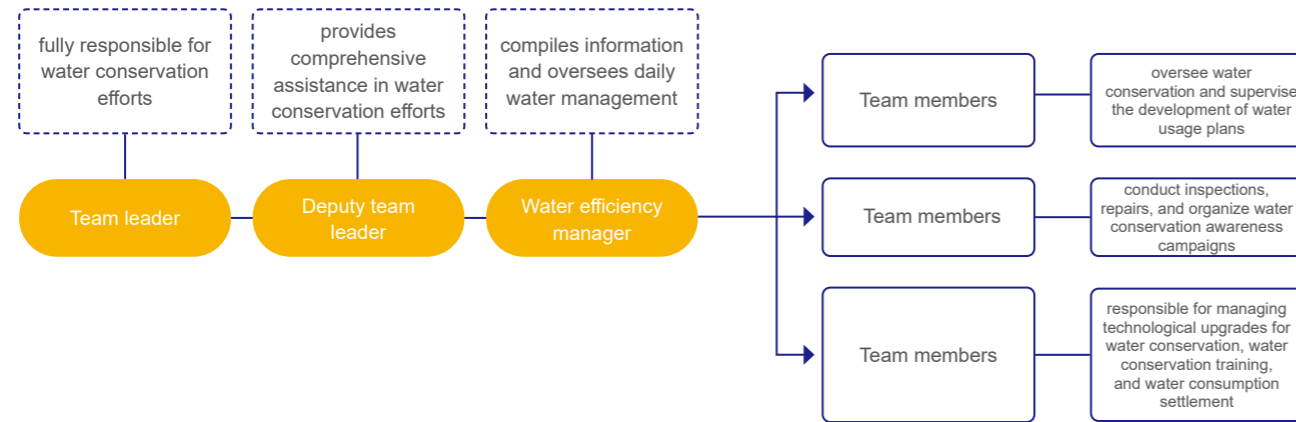
Water Consumption Performance



Total Water Recycled and Reused (Megaliter)



The company has established a Water Conservation Task Force, with a manager serving as the team leader and supervisors as deputy team leaders. A water management organizational network has been established, enabling dedicated personnel to conduct regular inspections of the company's water supply system, identifying and addressing any instances of wastage, leaks, or inefficiencies. Additionally, the Water Department has been encouraged to establish and maintain comprehensive water records and ledgers, ensuring monthly summaries are diligently prepared and prompt action is taken to rectify any identified issues.



SVOLT Water Conservation Management Network

In order to foster a culture of water conservation and guide employees in developing a sense of valuing and conserving water in their professional and personal lives, the company has installed water-saving faucets in the public areas. Water-saving signage has been prominently displayed, accompanied by a range of informative and impact water-saving promotional activities. These initiatives encompass water-saving training sessions, the display of water-saving slogans, and the distribution of educational materials on water conservation.



SVOLT Water Conservation Signage



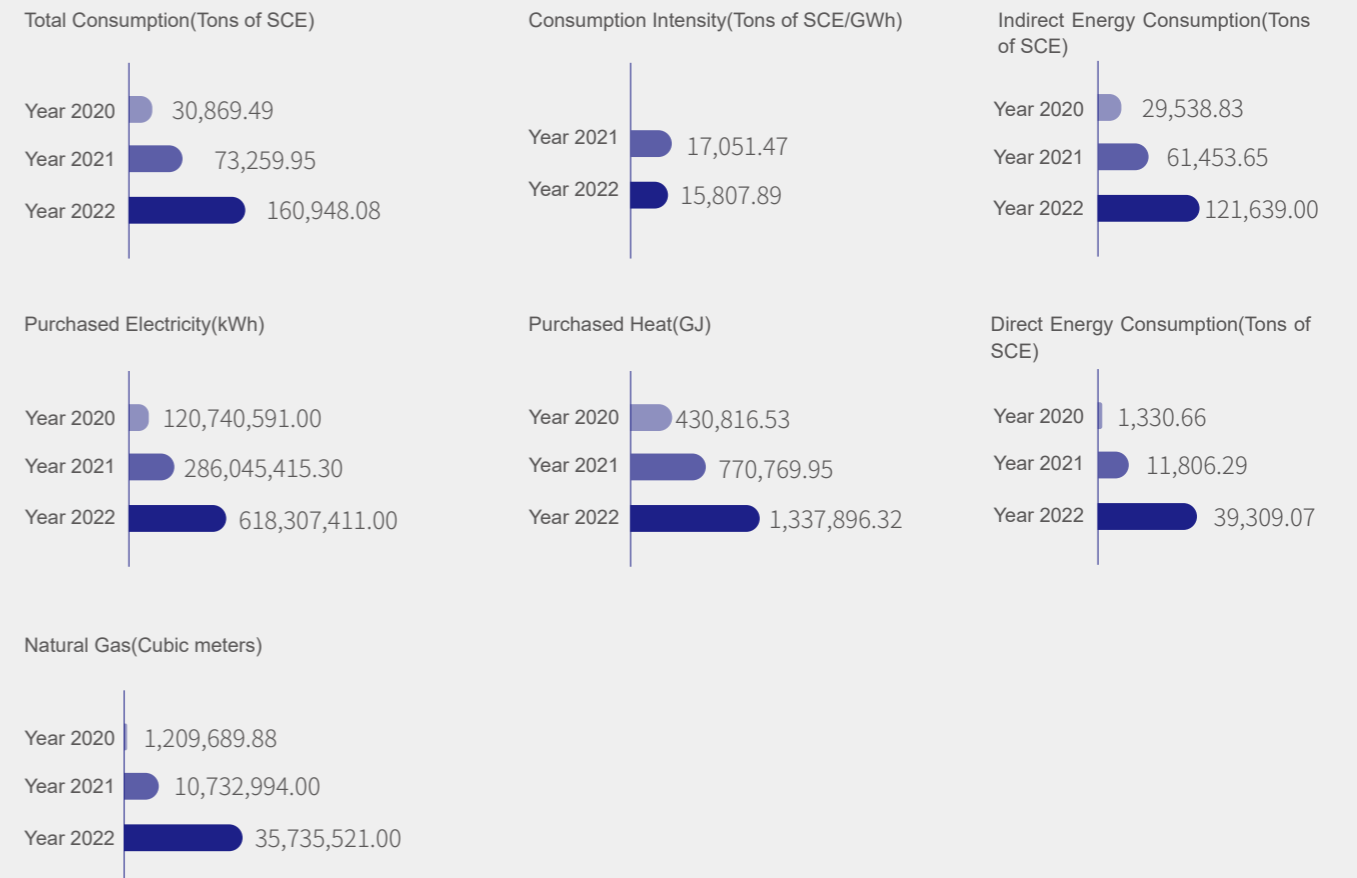
SVOLT Water Conservation Training

Energy Management

SVOLT has formulated Energy Management Regulations to standardize energy supply management, ensuring safe, stable and effective energy supply to meet production and living needs.

In addition, the company is gradually replacing fossil fuel equipment with electric equipment, including procuring electric forklifts to replace diesel forklifts and purchasing new energy vehicles for commercial purposes. In terms of lighting, the company has implemented corresponding energy-saving measures, exclusively utilizing energy-saving LED lights, specifying the number of lights in operation, and installing motion and sound control devices for dynamic light switching, following an energy-conservation mechanism of "lights on when people are present and lights off when people leave." Additionally, the company has established the Air Conditioner Usage Management Regulations, which provide clear guidelines for the timing and temperature controls of air conditioning usage in production and office areas, enabling centralized control and effectively reducing energy consumption.

Energy Consumption Performance



Emissions and Waste Management

Management of Exhaust Gas and Wastewater Emissions

SVOLT Energy Technology Co., Ltd. adheres to the Pollutant Management and Control Procedures, Air Pollution Prevention and Control Management Standards, Water Pollution Prevention and Control Management Standards and Activated Carbon Adsorption Waste Gas Treatment Facility Operation Technical Management Standards for exhaust gas and wastewater management. The company diligently follows the annual monitoring plan for pollution sources, conducting regular monitoring to ensure compliance with emission standards for pollutants.

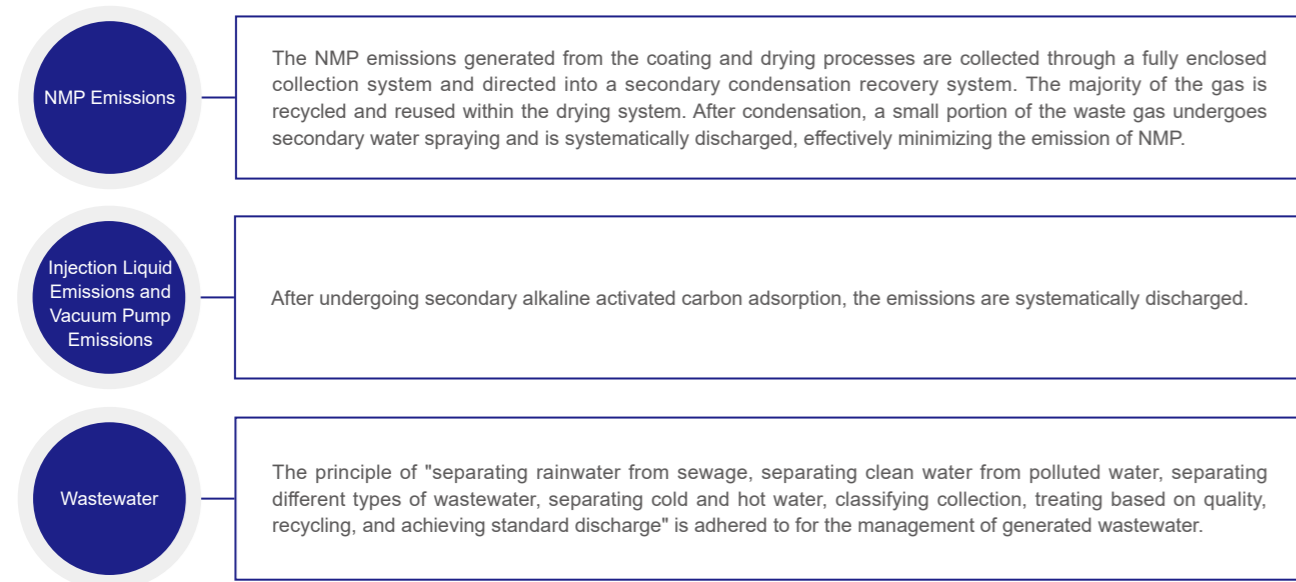
Air Pollutant Management Performance

Indicator	Unit	2020	2021	2022
Total Waste Gas Emissions	Ten thousand cubic meters	30,045.48	62,018.32	254,650.40
NMHC	Metric ton	0.058548	0.676459	8.114076
Sulfur dioxide	Metric ton	0.379	0.306	0.489
Nitrogen oxide	Metric ton	0.554	3.7116	7.7328
Dust	Metric ton	0.859	0.3411	0.2504
Fluoride	Metric ton	0	0.002	0.0137
Particulate matter	Metric ton	0	0	2.06
Hydrogen Chloride	Metric ton	0	0	0.1
Exhaust Emission Density	Ten thousand cubic meter/GWh	/	14,434.83	25,011.13

Water Pollutant Management Performance

Indicator	Unit	2020	2021	2022
Water Pollutant Generation	Metric ton	8.62	11.47	16.29
Chemical Oxygen Demand(CODcr)	Metric ton	3.39	4.22	5.82
Biochemical Oxygen Demand(BOD5)	Metric ton	1.21	1.49	1.14
Total Phosphorus (as P)	Metric ton	0.024181	0.046108	0.071719
Ammonia Nitrogen (NH3)	Metric ton	0.105448	0.308810	0.516426
Suspended Solids (SS)	Metric ton	3.33138	4.422535	7.68599
Total Cobalt	Metric ton	0.001612	0.000864	0.003024
Total Nitrogen (as N)	Metric ton	0.56067	0.988116	1.034126
Animal and Vegetable Oils	Metric ton	0	0	0.019774
Water Pollutant Generation Density	Metric ton/GWh	/	2.67	1.60
Wastewater Generation	Metric ton	263,078.00	368,049.00	401,271.69
Wastewater Discharge	Metric ton	244,587.90	312,104.00	363,911.19
Wastewater Generation Density	Metric ton/GWh	/	85,663.82	39,411.92
Wastewater Discharge Density	Metric ton/GWh	/	72,642.56	35,742.46

Measures for Exhaust Gas and Wastewater Management



Solid Waste Management

SVOLT has formulated the Waste Management Regulations to categorize solid waste based on its nature into valuable waste, valueless waste, hazardous waste, and non-valuable/valueless waste. According to the Waste Classification List, the solid waste is stored and segregated in corresponding temporary storage areas or warehouses. Regular processing is conducted, and hazardous waste is entrusted to qualified entities for compliant disposal.

Solid Waste Management Performance

In 2022, the company's comprehensive utilization of hazardous waste amounted to 20.404 metric tons.



The company also proactively organizes solid waste classification training to further improve employees' waste disposal capabilities.



图为刘工 (刘兵) 经验分享

Experience Sharing in Changzhou Industrial Park with the topic of environmental responsibilities, disposal of cathode/anode waste liquids, etc.



图为徐工 (徐刚) 经验分享

Experience Sharing in Changzhou Industrial Park with the topic of "Special Report on NMP Emission Reduction, Recycling, and Utilization".

Case: Improving Solid Waste Disposal Capability

The defective battery cells that are taken offline during the production process still contain a certain level of energy, posing risks of explosion and environmental hazards. It is necessary to dissipate the stored electrical energy to render them harmless for further processing.

The handling of charged battery cells involves two methods: saltwater immersion and resistive discharge. In the industry, saltwater immersion is commonly used. However, this process generates waste gases such as chlorine, HF, DMC, as well as waste liquid from battery cell treatment. It also carries a risk of fire. The resulted immersion waste liquid is classified as hazardous waste. Therefore, the saltwater immersion method is less environmentally friendly and poses health risks. Additionally, it incurs high treatment costs. On the other hand, resistive discharge is suitable for laboratory operations but not feasible for large-scale discharge.

After conducting extensive resistive discharge experiments for a period of half a month, the company's waste battery cell handling specialist collected, improved, and innovated upon the issues encountered during the experimental process. Ultimately, they achieved large-scale resistive discharge. This approach not only reduces environmental risks and treatment costs but also enhances the capability of waste disposal.

Material Usage

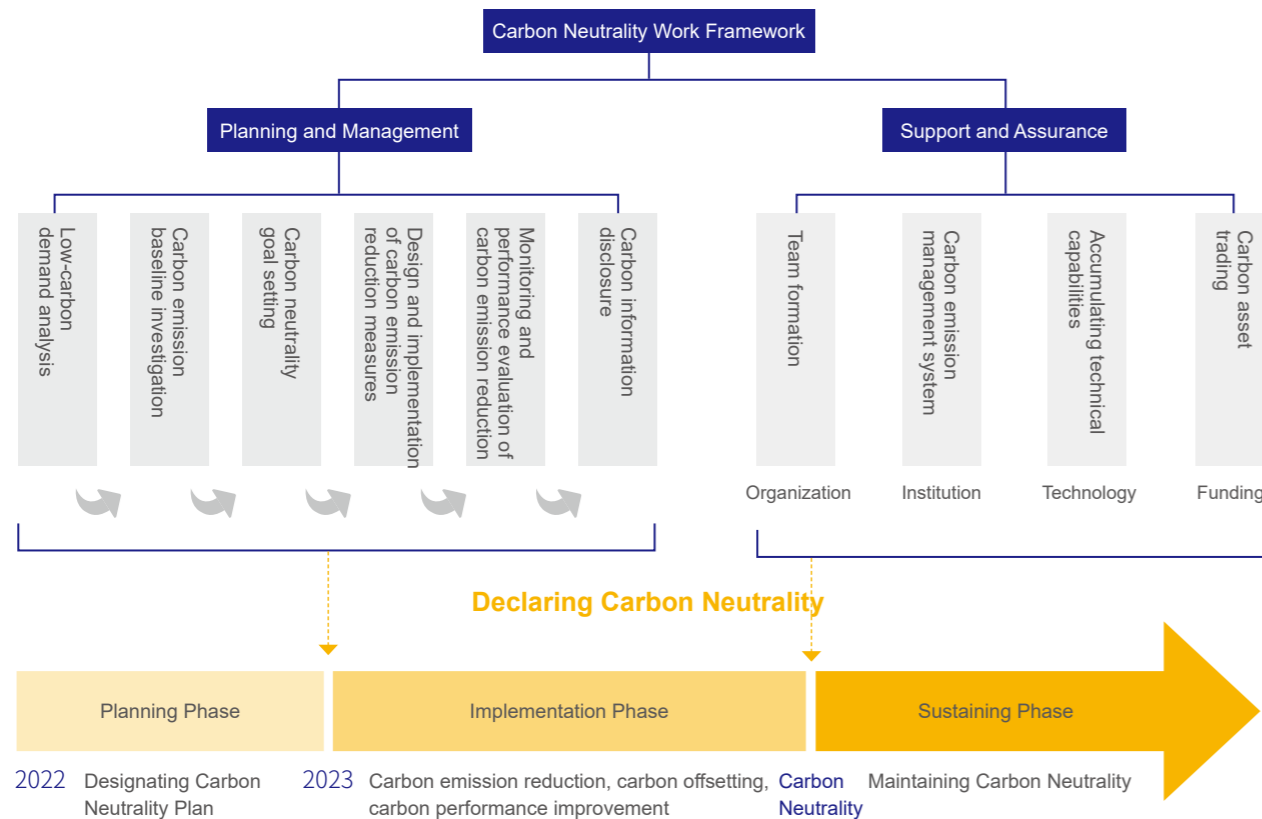
SVOLT actively carries out the management of material usage in production and packaging. We have developed and implemented the Regulations for Packaging Development Management that provide detailed guidelines for product packaging, including research and development, scheme creation, scheme review, factory approval, sample submission, and mass production. We exercise strict control over product packaging from the source. Additionally, we continually engage in "cost reduction and efficiency improvement projects". By addressing issues such as belt breakage at logistics lines corners, re-utilizing wiping cloth used in production, and replacing cardboard packaging with reusable containers, we aim to reduce material usage without compromising production quantity and quality, thereby enhancing resource utilization.

Indicators	Unit	2020	2021	2022
Office paper consumption	Metric ton	4.64	20.03	35.84
Packaging material consumption	Metric ton	/	2,174.39	1,636.70
Amount of packaging material recycled and utilized	Metric ton	/	/	22.426

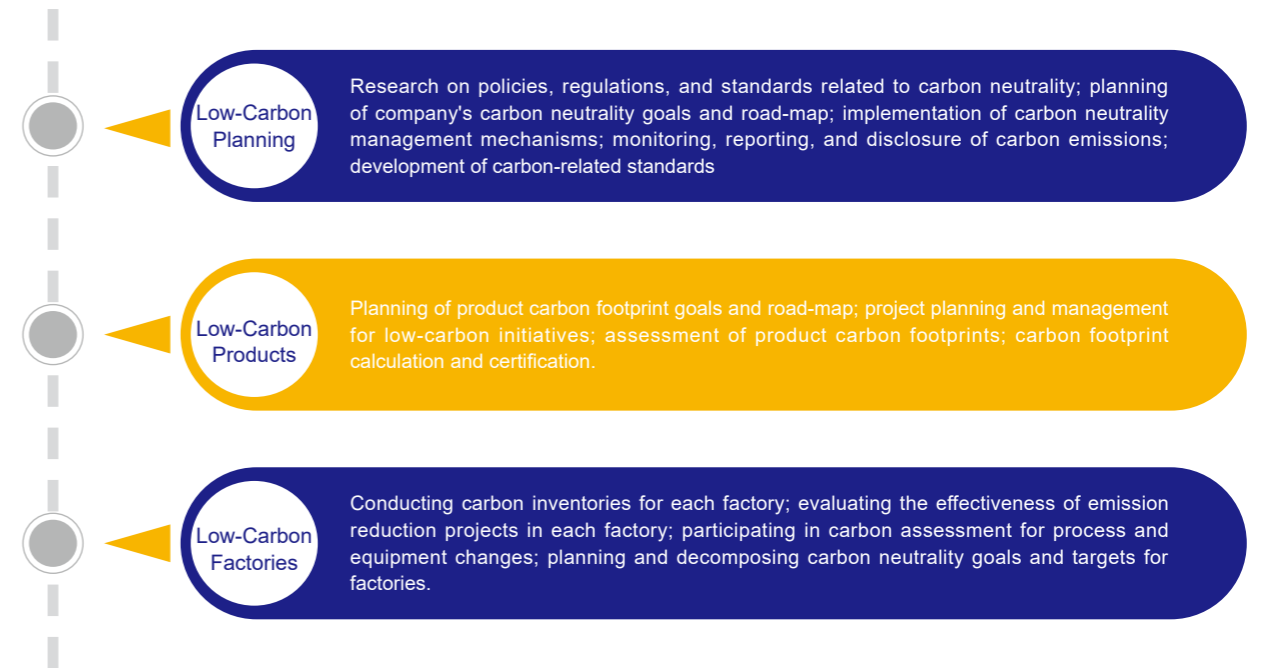
Low-carbon Development

Carbon Neutrality Action Plan

SVOLT fully aligns with the national "dual-carbon" policy and actively formulates plans and management mechanisms for carbon neutrality. This includes low-carbon demand analysis, carbon emission baseline inventory, carbon neutrality target setting, formulation and implementation of carbon reduction measures, carbon emission monitoring, performance evaluation, and information disclosure. In terms of execution, we have established a carbon management team, enhanced carbon management capabilities, and implemented mechanisms to ensure the attainment of our low-carbon development goals, thus promoting sustainable development.



To ensure the implementation of carbon neutrality efforts, SVOLT has established a Carbon Neutrality Working Group led by the Carbon Neutrality Project Department. This group collaborates with core departments such as the Operations Center, Procurement Center, Technology Center, Industrial Engineering Center, Project Management Center, and Digital Intelligence Center to drive emission reduction actions. It focuses on managing and promoting low-carbon planning, low-carbon products, and low-carbon factories.



In addition, SVOLT has developed separate corporate carbon standards for products, industrial parks, and projects to address different requirements. In 2022, three corporate standards were published: Specification for Data Collection of Product Carbon Footprint Calculation, Technical Specification for Carbon Emission Accounting of Factories (Industrial Parks), and Technical Specification for Carbon Emission Assessment of Construction Projects.

Greenhouse Gas Emissions

SVOLT based on its Zero Carbon Plan, continues to advance carbon emissions reduction efforts through initiatives such as constructing zero-carbon battery factories, increasing the proportion of renewable energy usage, and implementing energy-saving technological upgrades. In 2022, the company's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 595,348 tons of carbon dioxide equivalent.

Indicators	Unit	2020	2021	2022
Direct (Scope 1) greenhouse gas emissions	Metric tons of carbon dioxide equivalent	3,284.84	29,986.00	95,558.00
Indirect (Scope 2) greenhouse gas emissions	Metric tons of carbon dioxide equivalent	149,126.55	250,978.00	499,790.00

In 2022, SVOLT implemented 49 energy-saving technological upgrade projects across five categories, including process and equipment upgrades, optimized resource allocation, lean management, maintenance, and surplus recovery. These initiatives collectively resulted in a reduction of 23,678 tons of carbon emissions.

Case: Waste Heat Recovery System for Coating Process

To effectively reduce operational energy consumption and carbon emissions, the company introduced a waste heat recovery system for coating machines. This system utilizes the high-temperature waste heat discharged during the drying process and recovers it to heat the cold air returning to the drying system, thereby reducing energy consumption. Additionally, the adoption of high-efficiency heat ex-changers enables a reduction of over 50% in energy consumption for the drying system, leading to significant cost savings and a decrease in overall carbon emissions.



Zero-Carbon Industrial Park

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



Advantages of SVOLT Zero-Carbon Industrial Park

Location Advantage

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

Industry Chain Advantage

The Dazhou Zero-Carbon Industrial Park focuses on building a complete lithium-ion battery industry chain in the southwestern region. It includes the construction of production lines for LFP and cobalt-free cathode materials, precursor materials and electrolyte production lines for LFP, battery recycling and disassembly production lines, and power battery assembly lines, along with other supporting projects related to the industry chain. This aims to create a comprehensive lithium-ion battery industry chain for SVOLT in the southwestern region.

Resource Assurance Advantage

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

Industrial Fund Advantage

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

Case: Successful Commencement of SVOLT Dazhou Lithium Electric Net-Zero Industrial Park

In 2022, the groundbreaking ceremony of SVOLT Dazhou Net-Zero Industrial Park marked a significant step in SVOLT's expansion of its industrial chain layout in the southwestern region. The commencement of the Net-Zero Industrial Park project has accelerated the development of the new energy industry in Dazhou High-tech Zone, opening a new chapter for the thriving strategic emerging industry cluster led by new materials, new energy, and the digital economy. As of the end of 2022, SVOLT's wholly-owned subsidiaries, Libai New Material Technology (Dazhou) Co., Ltd. and Huanggang Linli New Energy Technology Co., Ltd., have signed contracts to enter the park, contributing to the comprehensive development of the new energy sector, including the construction of the complete lithium-ion battery industry chain, lithium-potassium development, and energy storage projects.



Product Carbon Footprint

SVOLT has implemented a series of measures to actively manage the product carbon footprint, aiming to achieve multi-path carbon reduction throughout the product life-cycle.



Climate Resilience

Climate Risk Management

SVOLT actively addresses climate change and explores new channels and methods to assess and enhance its climate resilience. In 2022, we participated in the CDP (Carbon Disclosure Project) for the first time, reporting climate change information and achievements through a questionnaire.

Types of Climate Change Risks	Potential Impacts of Climate Change Risks	Potential Financial Impacts	Actions Taken by SVOLT
Transformation Risks	Policy and Legal Risks	Decreased demand for products and services resulting in reduced revenue.	To address the risks associated with carbon emission policy standards for products related to the European market, the company has organized relevant product project teams to continuously monitor and analyze the EU's new battery regulations and the Carbon Border Adjustment Mechanism (CBAM). They conduct a thorough analysis and assessment of the impact of standard policy clauses and propose potential response measures, such as establishing a carbon database and building reserves of low-carbon materials and technologies.
	Technological Risks	Increased manufacturing costs.	SVOLT is formulating a series of measures for sustainable suppliers and low-carbon material supply. This includes establishing a Green Supply Chain Management Department, setting green supplier admission standards, introducing secondary aluminum materials, and reserving suppliers of clean aluminum materials as low-carbon material reserves. SVOLT recognizes the importance of obtaining a large amount of low-cost green electricity and has planned to establish production bases in regions with abundant green energy resources, such as the southwest. They have planned for on-site photovoltaic installations with a capacity of 217MW to ensure a reliable supply of green electricity. In the future, they will continue to reduce electricity carbon emissions in the manufacturing process through diversified green energy measures.
Physical Risks	Acute Risks	Increased operating costs	SVOLT has developed emergency response plans for sudden environmental incidents and established an interactive mechanism with local governments. They regularly organize drills and continuously improve their emergency response system for sudden environmental events.

Clean Technology Utilization

Clean Energy and Efficiency Enhancement

With a mission of "Green Energy Everywhere", SVOLT focuses on the research, development, and production of power batteries and energy storage systems. It consistently demonstrates the vitality of the green and low-carbon new industry, taking an active position in the fields of climate change and low-carbon development.

Case: Promoting Renewable Energy Construction and Accelerating New Energy Supply

SVOLT actively utilizes clean energy such as solar power. It constructs rooftop photovoltaic power stations on company buildings, with a planned distributed photovoltaic project scale of 217MW. By the end of 2022, PV projects with a total capacity of 22.3MW have been built in Jintan and Shangrao. Concurrently, there are supporting energy storage projects with a capacity of 10.5MWh, forming an intelligent energy supply system integrating solar power and energy storage.



Jintan Photovoltaic Project

Case: SVOLT Enters Battery Recycling Field, Achieving "Reuse" of Lithium Resources

On September 23, 2022, Chang Qing Teng Recycling Resources (Shangrao) Co., Ltd., a joint venture between SVOLT's wholly-owned subsidiary TengQingQing Renewable Resources (Shangrao) Co., Ltd., and Guizhou Zhongwei Resources Cycle Industry Development Co., Ltd. (a subsidiary of Zhongwei New Materials Co., Ltd.), was officially launched in Shangrao, Jiangxi. This marked SVOLT's official entry into the battery recycling field. SVOLT will accelerate the achievement of an industrial closed-loop, reduce raw material procurement costs through resource recycling, and enhance the market competitiveness of SVOLT batteries. The recycling and utilization of regenerated materials, to a certain extent, increases the domestic supply source, helps guarantee national resource security, generates significant economic benefits, and effectively reduces carbon emissions during the production cycle, contributing to the achievement of the "3060" dual carbon goals.



Green Building

SVOLT incorporates the concepts of reduction and decarbonization into factory design. To enhance resource allocation efficiency, the company sets up shaded walkways within the factory premises. Multi-story buildings are constructed without affecting production. Extensive greening within the factory area contributes to ecological carbon sequestration. Real-time monitoring of electrical, water, and heat consumption, as well as renewable energy usage, is implemented. Grouping and zoning measurements and controls are implemented for air conditioning, heating, lighting, etc. During the construction phase, the company emphasizes the procurement of low-carbon materials and reduces the consumption of building materials (such as cement, glass, steel, asphalt) to achieve material reuse and consumption reduction.

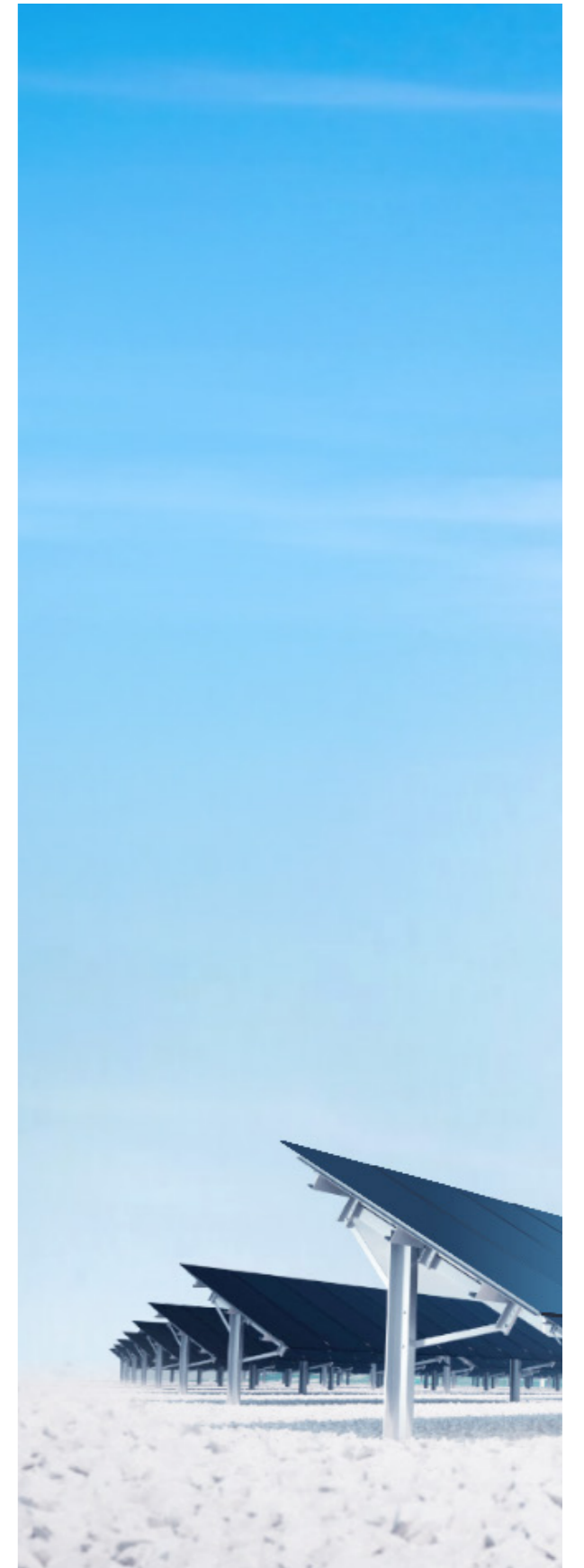
Ecological Environment

Biodiversity and Land Resource Conservation

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

The company has established goals related to biodiversity and ecosystem conservation, including ensuring the integrity and health of the surrounding river ecosystems are not affected, protecting aquatic habitats and ensuring no negative feedback on aquatic biodiversity, and maintaining the service and regulatory functions of the surrounding river ecosystems. With these goals in mind, SVOLT ensures the reduction and avoidance of impacts on biodiversity during production and manufacturing activities.

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



03

TECHNOLOGY AS FOUNDATION, PRODUCT AS PRIORITY



Alignment with United Nations Sustainable Development Goals (SDGs)



Material Issues Addressed

- Product and Technological Innovation
- Digital Transformation

SVOLT places high-quality products at the core of its operations, with a strong emphasis on product quality management to ensure reliability and safety. Building upon a foundation of quality assurance, SVOLT is committed to developing innovative products and solutions, continuously driving technological breakthroughs and applications. Through sustained technological innovation and the application of intelligent manufacturing, SVOLT actively contributes to industry development, propelling towards a future characterized by even greater intelligence.

Technology as Foundation, Product as Priority

Quality Management

Quality Management System

SVOLT places product quality at the core of its business development and has established a quality management system in accordance with the requirements of IATF 16949. The company manages product quality and safety throughout the entire life-cycle, with strict risk control measures in place. As of the end of 2022, SVOLT has obtained ISO 9001:2015 Quality Management System certification and IATF 16949:2016 Automotive Quality Management System certification, covering the scope of design, development, and manufacturing of battery cells, modules, and packs.



SVOLT's "1340" Quality Management Strategy

1

Cultivating a quality-oriented culture: Striving to get things right at the first time.

3

Solving the three primary concerns: foreign matter, lithium plating issue, and thermal runaway.

4

Utilizing four key approaches: KPI-driven management, risk management, strong execution, and team building.

0

Pursuing zero defects relentlessly

SVOLT Product Quality Management Policy and System Checklist

<ul style="list-style-type: none"> ● <i>New Product Development Control Procedure</i> 	<p>To standardize the entire process of new product development at SVOLT, providing reference guidelines for new product development. It clarifies the deliverable and targets required at each milestone during the development process, utilizing concurrent engineering and multiple stakeholders' input to control quality, cost, and schedule. This enhances efficiency and reduces risks.</p>
<ul style="list-style-type: none"> ● <i>Product Safety Management Regulations</i> 	<p>To ensure all SVOLT personnel understand product and process safety and responsibilities. It regulates product design and process management related to product safety, ensuring compliance with customer requirements and legal regulations.</p>
<ul style="list-style-type: none"> ● <i>Restricted and Prohibited Substances Management Regulations</i> 	<p>To ensure that components, materials, and auxiliary materials used in SVOLT products comply with regulatory requirements regarding the prohibited and restricted substances. It also promotes the prioritized use of environmentally friendly materials and processes in the production activities of suppliers and subcontractors to minimize the environmental impact of products.</p>
<ul style="list-style-type: none"> ● <i>Regulatory and Standards Management Regulations</i> 	<p>To standardize the management of domestic and international regulations and standards related to product development, corporate standards, and export-related standards. This ensures that the developed products meet the requirements of relevant regulations and standards.</p>
<ul style="list-style-type: none"> ● <i>Security and Disaster Prevention Evaluation Management Regulations</i> 	<p>To establish a comprehensive security and disaster prevention evaluation system, ensuring that SVOLT's product development and mass production phases meet performance and safety requirements. SVOLT focuses on foreign matter control based on VDA19.1 and VDA19.2 standards, as well as TecSa implementation and execution.</p>

In 2022, we conducted 25 internal audits of product quality and invited external third-party quality review and supervision once to ensure the safety and reliability of our products.

After-Sales Management

SVOLT has established a Customer and After-Sales Quality Department and developed the After-Sales Issue Management Process and Project Issue Disposal Process and Requirements. Response times for after-sales issues are clearly defined, with a focus on responding to critical issues within 0.2 hours and other issues within 0.5 hours. Continuous efforts are made to improve the timeliness and quality of after-sales issue resolution.

Product/Service Complaint Performance

Indicators	Unit	2020	2021	2022
Number of received product/service complaints	Pieces	0	158	595
Product/service complaint rate	%	0	0.0246	0.0105
Product/service complaint response rate	%	100	100	100
Product/service complaint resolution rate	%	100	100	100

Over the past three years, the company has not experienced any product recall incidents or incurred any monetary losses due to product quality issues.

Research and Development Innovation

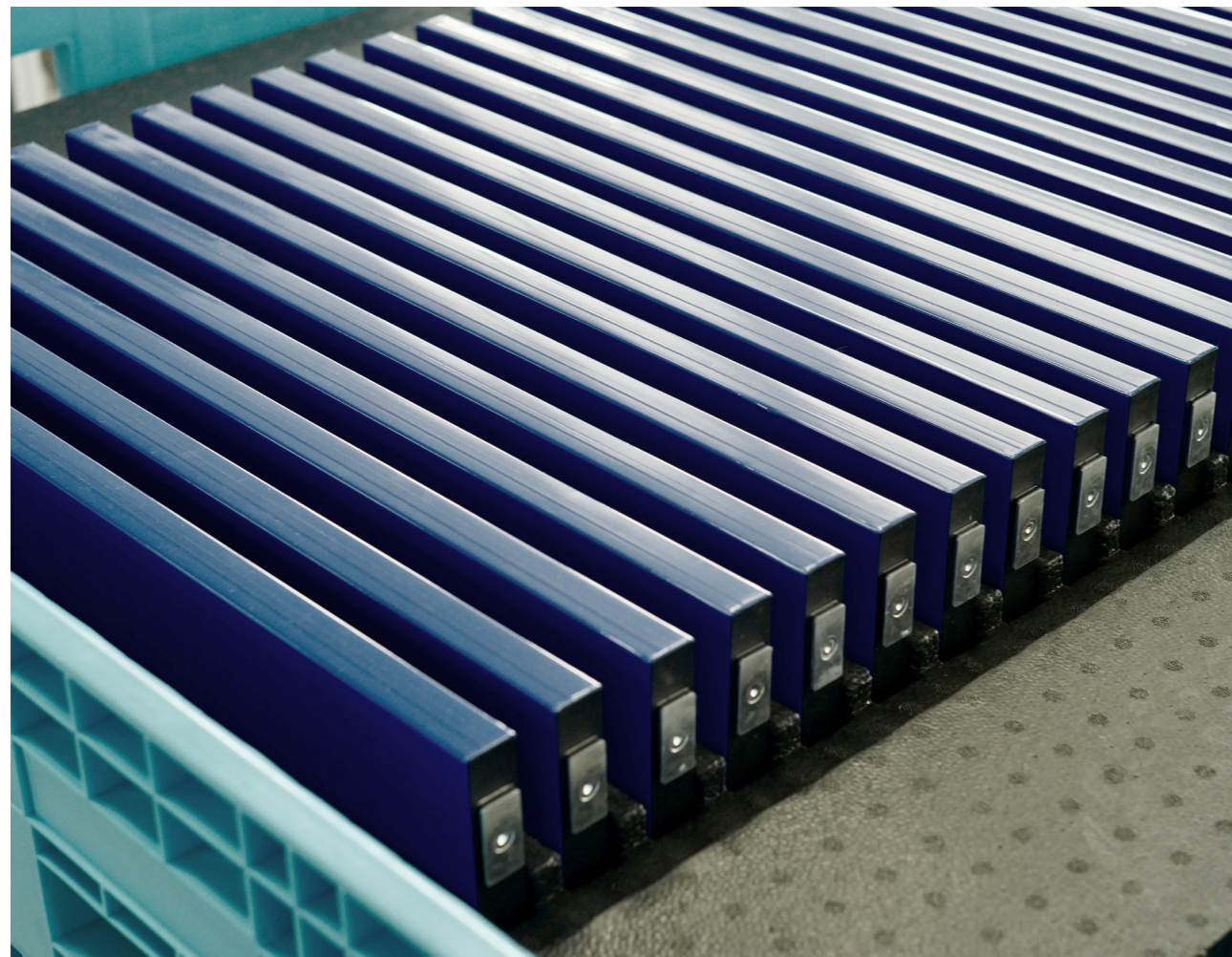
SVOLT integrates innovation into its corporate DNA and adheres to a green and low-carbon research and development philosophy. The company emphasizes the construction of an innovation system, focusing on collaborative research and development innovation. It integrates research and development with business applications, while maintaining a continuous high level of investment in research and development. In 2022, the company's research and development expenses amounted to 1.145 billion yuan, accounting for 11.48% of the operating income.

The company's R&D expenses were

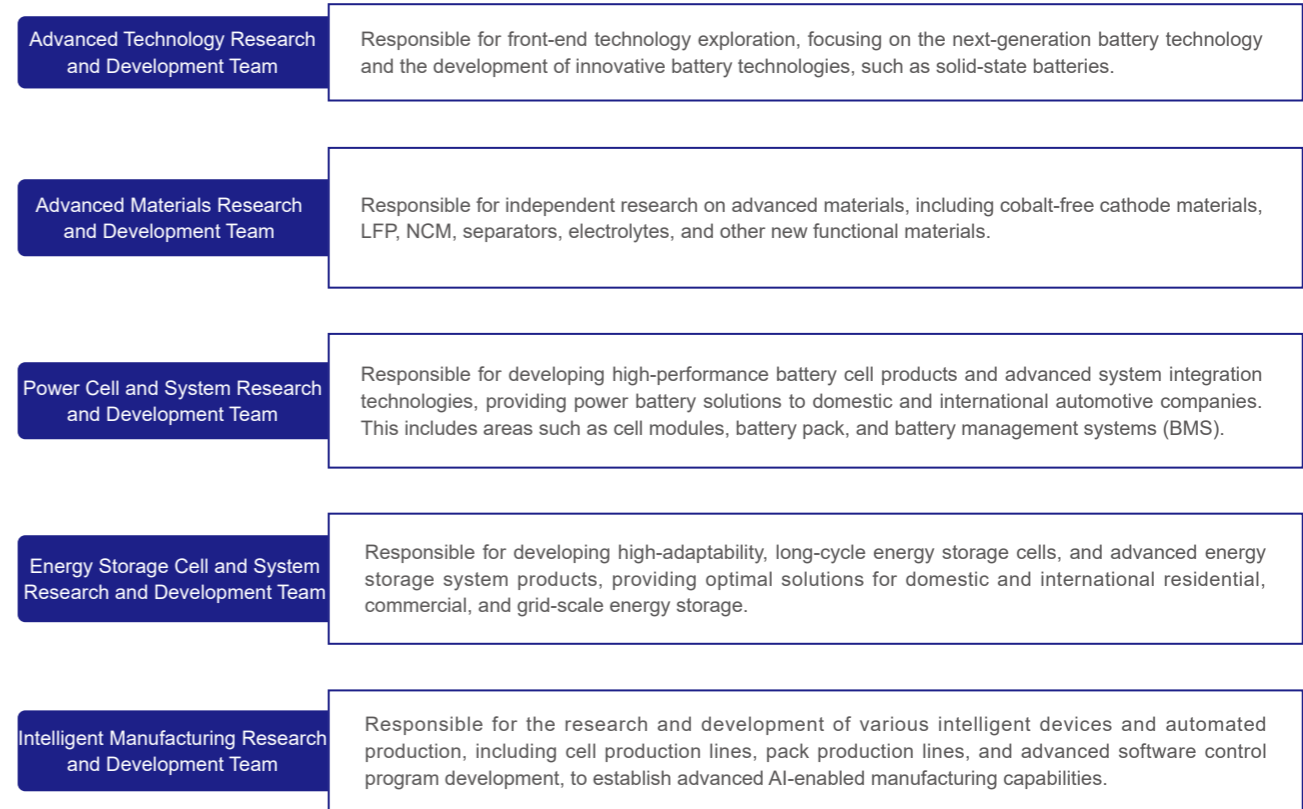
1.145 billion

Research and Development Innovation Team

As of the end of 2022, SVOLT has a research and development team of over 2,500 personnel, consisting of five major teams: Advanced Technology Research and Development Team, Advanced Materials Research and Development Team, Power Cell and System Research and Development Team, Energy Storage Cell and System Research and Development Team, and Intelligent Manufacturing Research and Development Team. These teams continuously drive technological and product innovation, leading the industry's development direction.



Composition of SVOLT Research and Development Teams



Product Technology Innovation

SVOLT has always adhered to independent research and development for breakthrough innovations, establishing a comprehensive technical research and development framework from mineral materials to cell development and system integration. The company continuously focuses on technical research and development for low-carbon transportation, residential, and commercial energy storage, providing solutions for the development of the new energy ecosystem. In 2022, the company achieved significant breakthroughs in technology, including the development of the Short Blade Dragon Armor Cell, Dragon Armor Battery System, High-Speed Stacking Technology 3.0, Nanomesh Silicon Anode, LMFP Cell.

Process Innovation

SVOLT adheres to the stacking process route and has pioneered the application of the high-speed stacking process to produce prismatic cells, breaking the bottleneck of the current mainstream winding process. The company has successfully produced and launched stacking prismatic NMC cells, leading the power battery industry into the stacking era. In 2022, the high-speed stacking technology developed by the company integrated functions such as electrode unwinding, cutting, hot pressing, online CCD inspection of stacking, and Hi-pot defect detection. This technology ensures product quality and achieves a production efficiency of 0.125 seconds per cell, surpassing the manufacturing speed of winding processes. It contributes to energy conservation and emission reduction while driving the industry's technological innovation and development.

High-Speed Stacking	Gen.01	Gen.02	Gen.03
Production Efficiency	0.6 second /piece	0.45 second /piece	0.125 second /piece

Structure Design Innovation

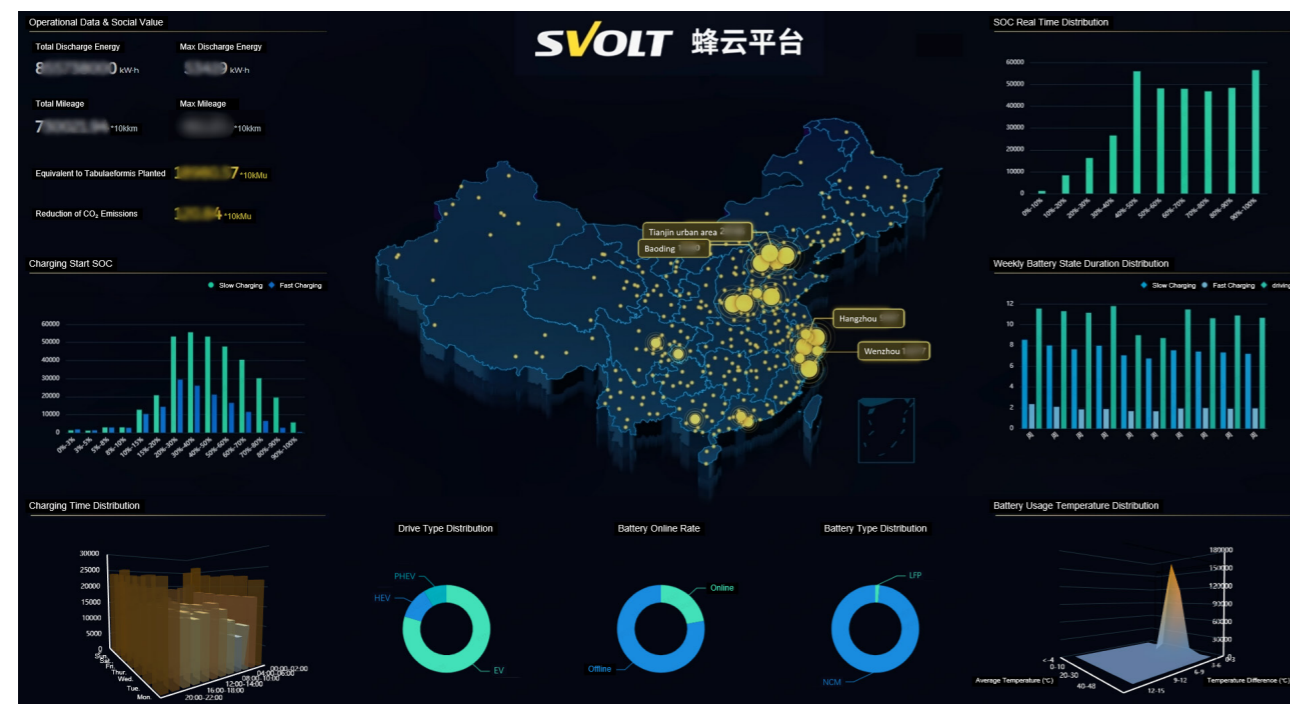
In 2022, SVOLT developed the Dragon Armor Battery, which offers high safety and long-range capabilities. The innovative short blade cell structure incorporates a Bottom Vent Design, while the system level adopts an advanced PACK Thermal-Electrical Separation design and double sided cooling to enhance heat exchange capacity. The structural design combines high-strength steel with an elastic bracket, ensuring multiple safeguards for safety performance. The innovative design of the Dragon Armor Battery sets the industry direction for short blade battery, and the system's high grouping efficiency provides the optimal design route for the vehicle.



Dragon Armor Battery

Innovations in Battery Management System (BMS)

SVOLT aims to empower the new energy industry with big data. In strategic collaboration with Huawei, Tsinghua University, and China Automotive Research, SVOLT has jointly created the world's leading intelligent battery monitoring and analysis platform, known as "SVOLT Cloud". Leveraging machine learning and AI technologies, the platform is built upon battery digital twin technology to achieve comprehensive intelligent monitoring of battery operation status. Gradually, it establishes and improves the ecosystem of power battery safety warnings, ensuring data security, operational safety, rapid response, and deployment. This platform contributes to a safe and reliable intelligent electric world. In 2022, "SVOLT Cloud" was honored with the China Society of Automotive Engineers Scientific and Technological Progress Award - Third Prize.



Collaboration between Industry-Universities-Institutes

The company has always adhered to the core values of innovation and has strengthened technological breakthroughs in various aspects internally. SVOLT places great importance on collaboration between Industry-University-Research. Since 2019, SVOLT has gradually improved cooperation in forward-looking technology exchanges and research and development, sharing of scientific research resources, technology project applications, talent development, and commercialization of research achievements. By the end of 2022, SVOLT had established collaborations with renowned domestic and international universities and research institutes such as Tsinghua University, Beijing Institute of Technology, Beihang University, and Ningbo Institute of Materials Technology and Engineering, Chinese Academy of Sciences. These collaborations focus on materials, batteries, intelligent manufacturing, and emphasize innovative leadership for high-quality industry development.

Industry Exchange

SVOLT actively participates in industry exchange activities and is committed to collaborating with industry partners to build a collaborative, inclusive, and mutually beneficial ecosystem in the new energy industry. In 2022, the company participated in industry exchange events such as the 15th Gao Gong Lithium Battery Industry Summit, World New Energy Vehicle Congress, Power Battery Industry Ecology Conference, and Entrepreneur Summit, where SVOLT delivered keynote speeches.

Case: The 3rd SVOLT Battery Day themed "Drive to a Shared Future"

In December 2022, SVOLT hosted the 3rd SVOLT Battery Day with the theme "Drive to a Shared Future." Mr. Yang Hongxin, Chairman of SVOLT, unveiled four new technologies: Dragon Armor Battery, High Speed Stacking Technology, LMFP, and Nanomesh Silicon Anode Technology. This event showcased SVOLT's continuous ability as a technology-driven enterprise to address market demands.



The 3rd SVOLT Battery Day

Standardization

SVOLT actively participates in the development and revision of external standards at the international, national, and industry levels, covering the entire life-cycle of the company's business, including power batteries, energy storage, materials, processes, intelligence, and recycling, among other areas. In 2022, the company led and participated in the completion and publication of 18 external standards, including 10 national standards, in fields such as cathode materials and power batteries. These standards include GB/T 34590.2-2022 - Road vehicles—Functional safety—Part 2: Management of functional safety and GB/T 42161-2022 Electrochemical performance test of LFP—Test method for the initial discharge specific capacity and the initial efficiency, among others.

Indicator	Unit	2020	2021	2022
Total Number of Standards Developed	Items	3	15	18
National Standards Developed	Items	1	0	12
Industry Standards Developed	Items	0	1	2
Group Standards Developed	Items	2	14	4

Intelligent Manufacturing

The company actively establishes a presence in the intelligent manufacturing sector. In early 2022, SVOLT successfully incubated Dr. Octopus, aiming to drive the transformation and upgrade of the lithium battery industry towards intelligent manufacturing. As the first company in the industry to propose the concept of an AI-powered smart factory for new energy power batteries, SVOLT's "AI intelligent factory of new energy power battery" was selected as one of the 2022 *China 10 Scientific and Technological Developments in Intelligent Manufacturing*.

Case: Completion of Subsidiary Dr. Octopus, Expanding SVOLT's Exploration of Intelligent Manufacturing in the Lithium Battery Industry.

In October 2022, SVOLT's subsidiary, Dr. Octopus, was officially completed. In addition to its strategic role in the construction of SVOLT's AI intelligent factory, Dr. Octopus provides innovative technical support, including AI simulation, AI vision, and AI analysis. Externally, Dr. Octopus offers products and services in areas such as energy interconnection, industrial intelligent control hardware, AI algorithms, core industrial software, and turnkey integration for lighthouse factory projects. It aims to create a collaborative and mutually beneficial AI manufacturing ecosystem, driving the transformation of the industry towards intelligent manufacturing.



04

RELIABLE AND
TRUST WORTHY,
EMPOWERING
COLLABORATION



Alignment with United Nations Sustainable Development Goals (SDGs)



Material Issues Addressed

- Supplier Management
- Responsible Mineral Supply Chain Management
- Customer Relationship Management
- Community Relations

SVOLT establishes close partnerships and collaboration with stakeholders and society, actively sharing resources, experiences, and innovations, while jointly pursuing the goal of sustainable excellence to empower each other. We prioritize creating social value and actively engage in societal development, contributing to the construction of a better future.

Reliable Trust, Empowering Collaboration

Building a Responsible Supply Chain

Sustainable Supplier Management

As a research and production enterprise in the field of power batteries, SVOLT recognizes the crucial impact of compliance, safety, and high-quality development in the supply chain on its own sustainable practices. The company has developed a series of action plans for sustainable supply chain management, covering areas such as supply chain management systems, supplier due diligence, supply chain risk management, supplier international system certification, and anti-corruption measures.

Enhancing Supplier Management Systems

SVOLT released Supply Chain Management Control Procedures, Procurement Control Procedures, and other supply chain management systems in 2020, with subsequent updates in 2021 and 2022. These control procedures encompass stages such as resource exploration, basic information investigation, supplier qualification evaluation, and performance assessment.

Conducting Supplier Due Diligence Practices

SVOLT incorporates the principles of sustainable development into the procurement, technical, and quality assessment processes for suppliers. As SVOLT's internationalization process accelerates and to further meet the requirements of customers in the European region, the company has integrated topics such as labor rights, occupational health and safety, and the environment into supplier due diligence work in accordance with the German Supply Chain Due Diligence Act. By the end of 2022, SVOLT has conducted due diligence investigations on 20 key material suppliers, with a satisfactory compliance rate of 90% among the suppliers. Moving forward, project-based management will be implemented, aiming to encompass all project mass production suppliers within the scope of due diligence investigations by the end of 2023.

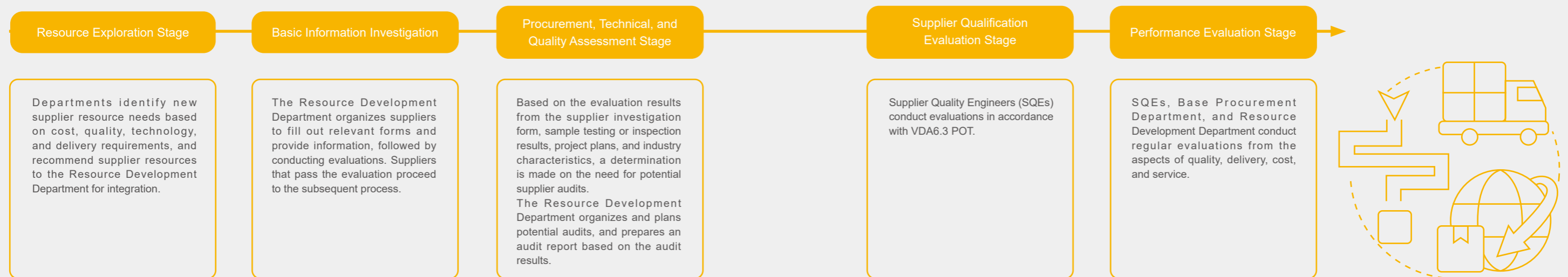
By the end of 2022, SVOLT has conducted due diligence investigations on **20** key material suppliers, with a satisfactory compliance rate of **90%** among the suppliers.

SVOLT requires suppliers to develop and maintain a comprehensive set of process to identify risks related to labor rights and human rights, health and safety, environment, business ethics, and legal compliance associated with their business operations. Suppliers are expected to assess the relative severity of various risks and implement appropriate regulations and control measures to minimize identified risks.

Driving Supplier System Certification

SVOLT requires its suppliers to timely implement or maintain certifications for quality, environmental, and occupational health and safety systems. In its quality manual, SVOLT explicitly requires suppliers to establish and perfect the Occupational Health and Safety Management System, the Environmental Management System, and the Quality Management System. Suppliers failing to obtain ISO 9001 and IATF 16949 Quality Management System certifications, without providing detailed reasons and certification plans, will be deemed non-compliant. As of the end of 2022, among SVOLT's suppliers, 118 mass production suppliers, accounting for 73% of all mass production suppliers, have obtained ISO 45001; 142 mass production suppliers, accounting for 88% of all mass production suppliers, have obtained ISO 14001; 100% of the mass production suppliers have obtained ISO 9001 certification.

Supplier Management Stages and Tasks



Supplier Compliance and Anti-Corruption

While striving to achieve its own anti-corruption objectives, SVOLT is also actively promoting anti-corruption construction among suppliers. By formulating policies and systems such as SVOLT Anti-bribery Management System and Supplier Code of Conduct, the company has built a top-level framework for supplier integrity and anti-corruption. In practice, the company conducts integrity education and training for suppliers, establishes supervisory boards and other supervisory bodies to perform external supervision and monitoring, exercises independent supervision and management functions, rotates procurement personnel and managers as needed, and signs Sunshine Agreement and Commercial Confidentiality Agreement with suppliers, effectively preventing supplier corruption. As of the end of 2022, the company's supplier integrity agreement signing rate reached 100%, completed 4 anti-corruption training sessions for suppliers totaling 4 hours, and the coverage rate of supplier anti-corruption training reached 95%.



SVOLT Supplier Conference on Advocating and Implementing Business Partner Integrity

Responsible Supply Chain Action for Minerals

As a multinational power battery R&D and manufacturing enterprise, SVOLT recognizes the potential risks of significant adverse impacts in mineral resource extraction, trading, processing, and export in conflict-impacted and high-risk areas, and recognizes the corporate obligation to respect human rights, not to exacerbate conflicts, and not to have a negative impact on the environment and society. The company has incorporated responsible minerals into its Supply Chain Sustainable Development Policy, demanding all suppliers, subcontractors, and their lower-level suppliers within the battery product supply chain make firm commitments to labor practice and human rights, employee health and safety, environmental management and protection, business ethics responsible minerals and other issues.

To further refine the requirements for responsible minerals, SVOLT, based on international standards and guidelines, and considering industry characteristics, has developed the Responsible Mineral Procurement Management Guidelines to avoid the use of controversial materials. In the Responsible Mineral Procurement Management Guidelines, the company requires all suppliers to execute the Sustainability Procurement Policy and the Responsible Mineral Procurement Management Guidelines, and for all products containing conflict minerals, suppliers must provide a *Conflict Minerals Reporting Template (CMRT)*.

In addition, to avoid the use of controversial materials such as nickel, cobalt, lithium, and aluminum, SVOLT, in accordance with the requirements of the European Battery Directive, has signed contracts with suppliers promising to use a certain proportion of recycled materials in batteries, effectively avoiding and reducing the use of controversial materials.

As of the end of 2022, 100% of SVOLT's main material suppliers obtained certification from the Responsible Minerals Initiative (RMI), and achieved 100% traceability of raw materials, ensuring the compliance of raw materials from the source.

Supplier Growth Empowerment

Green Supply Chain Training

SVOLT facilitating suppliers to mitigate environmental impact, optimize resource utilization, and foster collective sustainable development across the industrial chain by providing suppliers with training on green supply chains, carbon footprints, low carbon, conflict minerals, and ESG. In 2022, the company held 5 supplier training sessions, totaling 8 hours, with 161 suppliers participating.

In 2022, the company held **5** supplier training sessions totaling **8** hours with **161** suppliers participating

Supplier management phases and management tasks

Training Content	Number of Times	Target Audience	Training Format
Green Supply Chain Knowledge	1	Battery Mass Production Suppliers	Online Training Sessions, Publicizing and Implementing
Product Carbon Footprint	1	Battery Mass Production Suppliers	Online Training Sessions, Publicizing and Implementing
Supplier Performance - Low Carbon	1	Battery Mass Production Suppliers	Online Training Sessions, Publicizing and Implementing
Supply Chain Due Diligence and Conflict Minerals	1	Battery Mass Production Suppliers	Online Training Sessions, Publicizing and Implementing
Supplier ESG-related Knowledge	1	Battery Mass Production Suppliers	Online Training Sessions, Publicizing and Implementing

Supplier Empowerment and Communication

SVOLT is committed to empowering its suppliers for growth and fostering their active participation in sustainable development practices. In terms of supplier communication, the company actively engages in discussions with potential suppliers regarding product carbon footprint and green supply chain requirements. Suppliers are invited to provide information through the Green Supply Chain form, and quarterly assessments are conducted to evaluate their performance in the green supply chain. Support is provided to suppliers who do not meet the standards, guiding small and medium-sized enterprises in fulfilling their environmental obligations, fulfilling social responsibilities, and establishing sound governance systems. In 2022, SVOLT organized a supplier conference focusing on the QCD SCORE dimensions, with a total of 128 suppliers participating, further enhancing product quality and delivery efficiency.

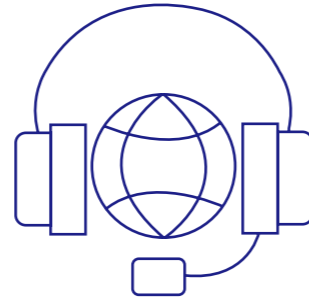
In 2022, the company organized a supplier meeting for the QCD SCORE dimension with a total of **128** suppliers.

Safeguarding Customer Rights

Enhancing Customer Service

SVOLT adheres to the core values of "Customers First, Striver-Focused", continuously improving its global customer service system to enhance the customer service experience. In 2022, the company conducted customer satisfaction surveys based on actual business situations, achieving satisfactory performance targets in customer satisfaction. SVOLT highly values the suggestions provided by customers during the satisfaction survey process, aiming to enhance the efficiency of customer feedback and consistently carry out improvement activities to continuously raise customer satisfaction levels.

The company has developed operational documents such as the After-sales Problem Management Process and Project Issue Disposal Process and Requirements. The After-Sales Department is divided into two teams: the after-sales quality team and the after-sales service team. The after-sales quality team primarily serves customers' quality requirements for products, while the after-sales service team is responsible for prompt response and resolution of customer issues.



To further improve the quality and efficiency of after-sales service and meet customer needs, SVOLT has established evaluation indicators for the after-sales quality team, including the "closure rate and timeliness of problem resolution, external cost of poor quality, and market failure rate." These indicators assess the quality and efficiency of the after-sales quality team's work. For after-sales service, the company has set evaluation indicators such as "security and timely replacement response of spare parts, repair quality, and customer satisfaction with service." In addition, the company requires the after-sales service team to provide regular training for customers.



Customer Communication Channels

To further meet customer quality requirements, SVOLT deploys after-sales quality personnel on-site at each major customer location to promptly understand customer needs and address on-site issues. During the reporting period, over 50% of customer quality issues were resolved on-site. For issues that cannot be resolved on-site, on-site personnel escalate the problems to the headquarters' after-sales quality team, which promptly forms an expert group for problem analysis. The company commits to a "4812" service response timeframe, guaranteeing responses to respective issues within 4, 8, or 12 hours to customers.

Additionally, for all customers, the company has dedicated after-sales service personnel in place to ensure swift response and issue resolution. Once the interface personnel gather problem information, the company internally analyzes it and triggers the relevant after-sales service team, including spare parts supply and replacement. SVOLT has established after-sales service centers nationwide, equipped with spare parts and collaborating with customer 4S stores, to provide repair and replacement services. For overseas customers, localized after-sales service centers have been established to rapidly respond to customer needs and provide swift fault analysis and spare parts support.

Customer Complaint Management

SVOLT always respects and protects the legitimate rights and interests of consumers, listens to customer opinions, and accepts customer supervision. The company has established a Quality Operations Center to handle customer complaints on a daily basis. The Quality Operations Center is divided into internal and external departments, with the internal department responsible for product quality control related to production and the external department responsible for handling customer complaints. Once a customer lodges a complaint, the company's quality department promptly engages with the customer and dispatches professionals to the customer's location for inspection and analysis. After analysis, the impact and batch assessment of the product issues are evaluated, and the company quickly responds to the customer to resolve the quality problems. In 2022, the customer complaint response rate was 100%.



Customer Privacy Protection

SVOLT considers information security and data privacy as fundamental to creating an exceptional user experience. The company places great emphasis on substantial protection of customer information, continuously enhancing information security technology, and fortifying the security of its operational systems. By the end of 2022, SVOLT had obtained the TISAX (Trusted Information Security Assessment Exchange) certification, which signifies compliance with trusted information security standards tailored for the automotive industry. This certification is based on the ISO/IEC 27001 Information Security Management System standard and the VDA-ISA Information Security Evaluation Checklist.

TISAX SCOPE EXCERPT		
TISAX Assessment Scope Information		
Participant Name		Participant-ID
Svolt Energy Technology Co., Ltd.		P3644C
Scope-ID	Scope Name	Scope Type
S3FFRW	SVOLT-JinTan	Standard scope 1.0
Scope Description		
The Scope comprises all processes and involved resources at the sites defined below that are subject to security requirements from partners in the automotive industry. Involved processes and resources include collection of information, storage of information and processing of information.		
Assessment Objectives		AL
Information with High Protection Needs		2

Data Security

SVOLT, in its General Compliance Manual, incorporates data and information security measures to continually strengthen the security and protection of data throughout its application processes, thereby avoiding information leaks. The company has established relevant regulations such as the Software and IT Service Management Specification to establish a comprehensive information network security management system. These regulations govern tasks such as internet connectivity, intranet interconnection, software installation and usage, virus defense, and terminal access, ensuring the security of the company's network and information and mitigating risks related to network intrusions and virus attacks.

SVOLT, as a company engaged in daily operations, has a business requirement to collect and process personal information of employees, visitors, and partners. This encompasses personal information collection and use, cross-border transfer of personal information, and engagement of third-party data processors. To address the specific needs of this business, SVOLT has appointed an information security manager and established internal security management policies and operational procedures. Stringent identity authentication and permission management measures are implemented. Furthermore, when collaborating with third-party data developers, SVOLT ensures that these developers have industry-standard data protection mechanisms and policies in place before initiating any partnerships.

In addition, SVOLT has reinforced its data protection practices by implementing an information firewall system that prohibits the unauthorized export of sensitive information. The company explicitly states that personal information, without the consent of the data subject or when it may pose a risk to personal interests, national security, public interests, or the company's information security, must not leaving the country without proper authorization. Moreover, SVOLT requires its partners to strictly adhere to the confidentiality agreements that have been signed, ensuring the standardized and careful management of confidential information.

Information Security Feedback Channel

SVOLT considers safeguarding the information security of our products as the most important task. We highly value the work of information security experts from all sectors of society and aim to collaborate with them to enhance the security of our products. If you discover any security issues, we welcome you to report them through the following email address.

Information security

Safeguarding the information security of our products is our most important task. SVOLT attaches importance to the work of information security experts from all walks of life, and hopes to work with you to improve the security of our products. If you find any security problems, you are welcome to report them to the following e-mail address.

lsadmin@svolt.cn

Note for report submission:

If possible, please describe the problem you found in Chinese or English.

In order to understand your report quickly and effectively, please attach a detailed description to your report.

Please provide your name and contact information so that we can follow up and thank you, anonymous reports are also acceptable.

Protection Mechanism

SVOLT consistently adheres to the legal boundaries and ethical principles of privacy protection. We strictly comply with the relevant laws and regulations, such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, as well as the *General Data Protection Regulation (GDPR)* in the European Union, in the regions where we operate. We have clearly defined standards for the handling of customer, supplier, partner, and employee information, encompassing principles, procedures, privacy design, data transmission, and the rights of individuals. These standards ensure that information security and privacy protection requirements and measures are effectively integrated into our entire business process. Additionally, we have implemented the Management Measures for Authorization of Information System Operations and Permissions to regulate the management of permission creation, modification, and closure within our information systems. This ensures that business risks, such as data errors and information leaks due to improper permission settings, are effectively controlled. In 2022, no privacy breaches occurred within our company.

Furthermore, SVOLT actively requires suppliers to fulfill their responsibilities in safeguarding customer privacy. We demand that suppliers commit to protecting the reasonable privacy expectations of customers and consumers, and comply with privacy and information security laws and regulations when collecting, storing, processing, transmitting, and sharing personal information.

In 2022, the company **had no** privacy breaches

Contribution to Social Value

SVOLT is well aware that as a company, it not only pursues economic benefits but also shoulders social responsibilities and actively contributes to society. Over the past few years, the company has consistently upheld the concept of actively giving back to society and participated in various charitable donation projects spanning education, environmental protection, and shared prosperity.

Education Support

As a well-known local enterprise in Jintan, SVOLT has donated RMB 20 thousand annually to Dongcheng Experimental Primary School, Xincheng Experimental Kindergarten, and Hua Luogeng Secondary School on Teacher's Day from 2020 to 2022. Furthermore, the Wuxi subsidiary donated RMB 20 thousand to schools in 2021 and 2022, while the Chengdu subsidiary contributed RMB 30 thousand to assist individuals with disabilities in 2022. In total, the company donated RMB 110 thousand in 2022.



SVOLT donated funds to Xincheng Experimental Kindergarten



SVOLT (Wuxi) made a donation to students in Hualong Hui Autonomous County, Qinghai Province.

Case : SVOLT Empowers Children's Growth

On January 7, 2022, SVOLT's subsidiary in Suining, in collaboration with the Party Working Committee of the Economic Development Zone, organized a "Caring for Children, Empowering Children's Growth" outreach event. Volunteers from SVOLT Suining Base visited Beigu Junior High School in the Suining Economic and Technological Development Zone to present gifts and sincere New Year greetings to underprivileged and left-behind children. They engaged in close communication and interaction with the children, gaining detailed insights into their academic progress, daily lives, and physical and mental well-being, while encouraging them to grow up healthy and happy.



The Suining subsidiary provided gifts to underprivileged and left-behind children

Case: Establishing School-Enterprise Cooperation and Emphasizing Talent Development

SVOLT, as an energy interconnection technology company, attaches great importance to both corporate development and talent cultivation. We have established strategic partnerships with renowned universities such as Central South University, Hohai University, and Beijing Institute of Technology. In 2022, we offered a total of 174 campus recruitment positions and organized a summer camp for college students to gain a deeper understanding of the new energy industry, adapt to the corporate culture, and assist recent graduates in quickly transitioning into their roles and integrating into the workplace.



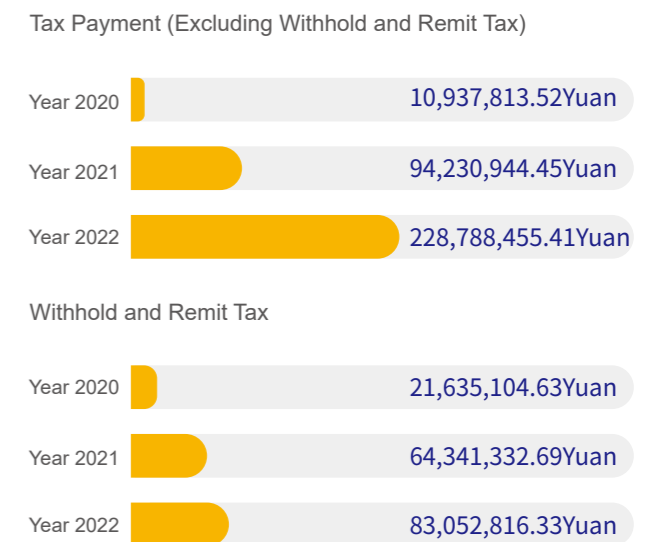
SVOLT's Wuxi subsidiary conducted a summer camp for college students entering the workforce

Tax Contribution

SVOLT recognizes the importance of tax contribution to social development and national construction. We fulfill our tax obligations with integrity and transparency, strictly adhering to legal and regulatory requirements, ensuring timely and accurate tax reporting and payment. The company has a comprehensive and sound financial system, including 12 financial management policies covering accounting policies, accounting estimates, cash management, bill management, and procurement payment management. These policies standardize various operations and incorporate financial management requirements.

Regarding taxation, the company emphasizes compliance with tax policies and has established the Group Tax Management System. We actively cooperate with tax authorities' supervision and inspections, taking proactive measures to improve the compliance and efficiency of tax management.

Tax Contribution Performance



Note: Taxes are recognized based on the tax period.

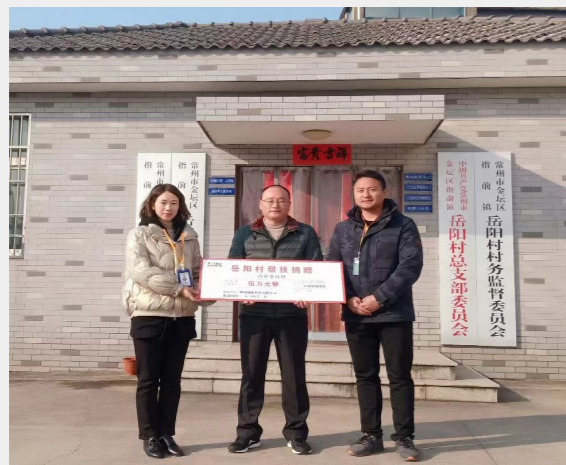
Rural Revitalization

SVOLT actively responds to the national call for rural revitalization and establishes targeted assistance relationships with relevant villages and towns. The company actively supports local education in the assisted rural areas by providing educational resources and assistance to rural schools. We encourage educational progress and career development among rural youth, promote sustainable development in rural areas, and contribute to improving living conditions in rural communities.



Case: Targeted Assistance for Rural Revitalization

Under the guidance of the local government, SVOLT has established a targeted assistance relationship with Yueyang Village. Every year, we donate RMB 50,000 to Yueyang Village to help alleviate urgent needs among the economically disadvantaged population. Additionally, SVOLT has formed a long-term friendly relationship with local schools. We not only visit the school before holidays such as Teachers' Day, bringing learning materials for students, but also make direct donations to help improve the learning environment.



SVOLT's Yueyang Village Support Program



Community Relations

Support for Epidemic Prevention and Control

In the face of the severe situation caused by the epidemic, SVOLT has consistently upheld its social responsibility and actively participated in the fight against the pandemic. Through donations and material support, the company provides emergency assistance to areas affected by the epidemic. We collaborate with charitable organizations and rescue teams to supply essential medical equipment, protective gear, and daily necessities to medical institutions, rescue personnel, and affected communities, supporting frontline workers in their epidemic prevention and control efforts.

Case: Supporting Epidemic Prevention and Control - SVOLT in Action

On April 9, 2022, SVOLT's volunteer team from the Suining Base extended heartfelt support to the frontline personnel engaged in the battle against the epidemic in Suining City. The dedicated volunteer team carried a range of essential epidemic prevention supplies and daily necessities, including masks, disinfectant gel, alcohol, bottled water, milk, and instant noodles. They arrived at Chaijia Courtyard and the southern entrance parking lot of Xishan Forest Park, designated as nucleic acid testing sites. Through their concrete actions, they generously supplied the much-needed materials to empower the epidemic prevention personnel working diligently on the frontlines.



SVOLT's Suining subsidiary supplies epidemic prevention personnel with necessary items for epidemic control



SVOLT's labor union provided the epidemic prevention personnel in Hetou Town with essential supplies for epidemic control

Case: Assisting the Community in Internal Epidemic Prevention and Control

During the epidemic prevention and control period in 2022, SVOLT's team in Yancheng actively and systematically participated in epidemic prevention and control efforts. They implemented a "twice-weekly inspection" approach to eliminate any potential outbreaks within the company, ultimately achieved zero confirmed cases in the SVOLT Park. Furthermore, the company responded to the government's call for assistance and supported the local community in epidemic prevention. They organized and established volunteer groups, actively cooperated with the government in conducting nucleic acid testing in residential areas within their jurisdiction, and made utmost efforts to win the battle against the epidemic.



Volunteers from SVOLT (Yancheng) actively participated in community epidemic prevention

Case: Organizing an Epidemic Prevention and Control Volunteer Team to Enhance Efficiency

In 2022, the COVID-19 epidemic situation in Wuxi was severe and constantly changing. In response to the requirements of the Xishan District COVID-19 Joint Prevention and Control Command and the policies of local street epidemic prevention and control, SVOLT's Environmental Health and Safety Department organized an epidemic prevention and control volunteer team. They assisted the local epidemic prevention and control command in carrying out activities such as promotion, nucleic acid sampling, and emergency response, thereby improving the efficiency of implementing epidemic prevention and control policies.



SVOLT (Wuxi) received the title of "Advanced Company in Epidemic Prevention and Control in Xishan District, Wuxi."

Conducting Community Welfare Activities

Throughout its development, SVOLT has consistently strived to enhance its corporate philanthropy system and actively participate in social welfare and volunteer activities, using its own strength to give back to society. In 2022, SVOLT's compassionate efforts extended to various places such as nursing homes for the elderly, blood donation vehicles at hospitals, and the frontlines of epidemic response, aiming to transform individual acts of kindness into a collective force of compassion and spread this love, warming the world with dedication and compassion.

Case: Caring for the Health of Elderly in the Community

SVOLT Energy Technology Co., Ltd. conducted multiple visits to community nursing homes in 2022, engaging in activities such as providing essential supplies and spreading warmth to the elderly residents.



SVOLT Energy Technology Co., Ltd.'s Compassionate Visits to Community Nursing Homes

Case: SVOLT Suining Base's "Blood Donation for Love" Public Welfare Event

In 2022, the SVOLT subsidiary in Suining organized two "Blood Donation for Love" events, demonstrating the spirit of selfless dedication by actively spreading the flame of love through voluntary blood donations. The total number of participants in the blood donation activities reached nearly 130 people, with a total blood volume donated exceeding 32,000 milliliters.



SVOLT Suining Base's Voluntary Blood Donation Events

Assisting in Low-Carbon Development

SVOLT prioritizes its own low-carbon development while continuously expanding possibilities for community-based low-carbon public welfare. The company aims to optimize energy usage, promote renewable energy, and improve resource utilization efficiency using its own capabilities. By disseminating the concept of green and low-carbon practices across various regions, SVOLT contributes to the construction of a green and clean ecological environment.

Case: Photovoltaic Carport in Changzhou Industrial Park

The SVOLT Changzhou Industrial Park is planning to construct a 14.0448 MW distributed photovoltaic (PV) power project with PV carports, which is estimated to generate approximately 14.76 million kWh in the first year. Additionally, a ground-mounted 2.8 MW/9.03 MWh energy storage project is implemented with a "dual charging and discharging" strategy to reduce the grid load during peak hours.



Construction site of SVOLT Changzhou Industrial Park Photovoltaic Carport Project

Case: Arbor Day Environmental Volunteer Activity, Spreading the Green and Low-Carbon Concept

On the afternoon of March 12, 2022, a team of nearly 30 SVOLT Environmental Volunteers, guided by the principles of low-carbon and environmental protection, walked to the West Mountain Forest Park, located 10 kilometers away. Along the way, the EHS Management Department provided the volunteers with environmental knowledge about waste sorting and carbon emissions. As the volunteers proceeded along the circular route of the West Mountain Forest Park, they picked up discarded tissues and mineral water bottles, placing them into garbage bags. Combined with the dissemination of environmental knowledge during the journey, everyone gained a deeper understanding and awareness of the significance of environmental protection.



SVOLT Suining Base's Arbor Day Environmental Cleanup Activity

05

TALENT AGGREGATION AND DIVERSITY INTEGRATION



Alignment with UN Sustainable Development Goals (SDGs)



Material Issues Addressed

- Labor Standards
- Occupational Health and Safety
- Employee Training and Development
- Employee Compensation and Benefits
- Diversity and Equal Opportunity

The growth and development of employees are the driving force behind SVOLT's continuous progress. SVOLT adheres to a people-oriented philosophy, emphasizing the protection of employee rights and providing a competitive compensation and benefits system. The company is committed to offering employees a broad platform for learning and development, working together to create a harmonious, stable, and friendly work environment. SVOLT continuously motivates employees' innovation and unleashes their potential, striving to achieve mutual success and growth for both the company and its employees.

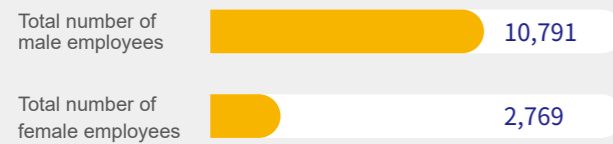
Talent Aggregation and Diversity Integration

Promoting Talent Recruitment

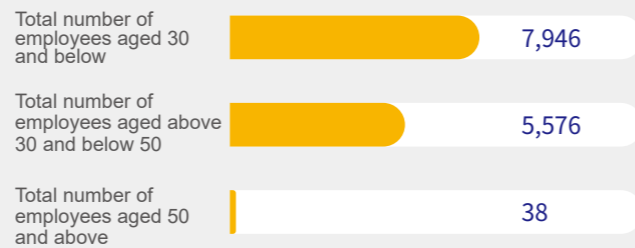
With SVOLT's rapid growth in recent years, the company has established factories and expanded its business in Southeast Asia, Japan, South Korea, Germany, the Netherlands, Portugal, and other locations. Establishing a talent recruitment system that aligns with the company's development pace and adheres to international labor standards is a crucial task for SVOLT. As of the end of 2022, the total number of formal employees in the company is 13,560.

Employee Composition

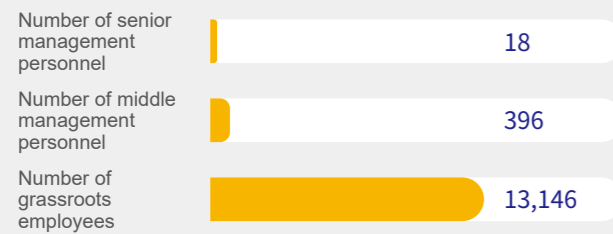
Gender Distribution



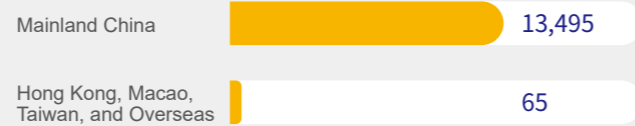
Age Distribution



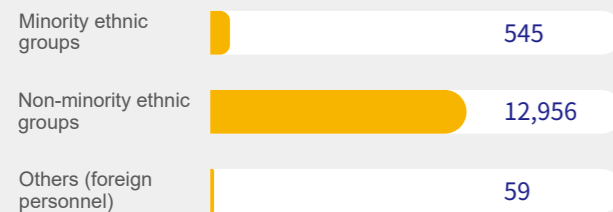
Hierarchy Distribution



Regional Distribution (Contractual Entities and Registered Locations)



Ethnicity Distribution



Compliance and Equality

To ensure compliant recruitment practices, SVOLT has issued several internal policies such as the Labor Relations Management System and Duty Management System. The company strictly adheres to international labor laws and the labor standards of the countries and regions where it operates, striving to create a diverse and inclusive workplace environment while safeguarding the rights of all employees.

SVOLT strictly prohibits the employment of child labor and forced labor, and has established a reporting mechanism to prevent any irregular employment practices. The company supports international initiatives concerning labor rights, adheres to equal employment practices, and ensures equal pay for equal work. SVOLT avoids any form of discrimination based on employees' ethnicity, race, nationality, religion, gender, age, disability, marital or parental status, and respects their rights to freedom of assembly and association as protected by law.



Diversity

SVOLT upholds an open, inclusive, and equal employment philosophy, striving to create a diverse workforce environment. The company promotes a culture of inclusivity and implements inclusive and diverse cultural practices through its recruitment and management systems. SVOLT has a high localization rate of employees in overseas markets, with overseas employees accounting for 0.44% as of the end of 2022.

Furthermore, the company respects and values its female employees, supporting them in realizing their potential and self-worth within the company. SVOLT strictly adheres to national laws and regulations regarding maternity leave for women and ensures that female employees returning to work within six months are provided with one hour of breastfeeding time per day during working hours. Additionally, the company regularly organizes care activities for female employees. As of the end of 2022, female employees accounted for 20.42% of SVOLT's workforce.

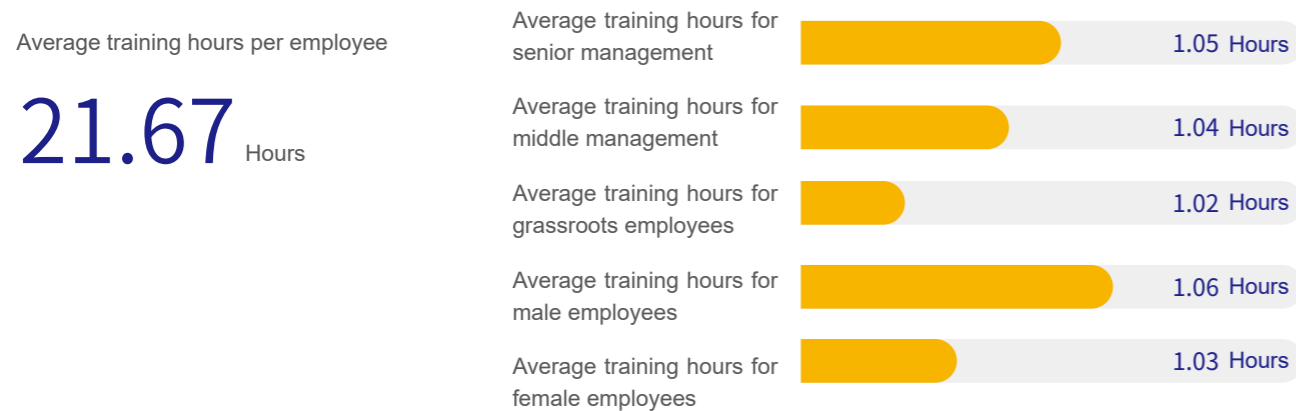


International Women's Day DIY Beverage Coaster Activity at SVOLT

Empowering Talent Development

Employee Training

SVOLT is committed to providing excellent employee training opportunities to help employees continuously grow, develop, and achieve their personal career goals. The company actively organizes and supports various training activities to enhance employees' capabilities and competitiveness. The training programs cover a wide range of fields and topics, aiming to meet the needs of different positions and roles, and help employees enhance their professional skills, leadership abilities, communication skills, and teamwork. Additionally, SVOLT has established the online learning platform and designed and organized training programs such as junior, intermediate, and senior leadership, as well as specialized training, to enhance employees' skills and levels of professional development. In 2022, the average training hours per employee was 21.67 hours.



SVOLT firmly believes that continuous learning and development are key to personal and company success. The company organizes the educational advancement program to help employees pursue their educational dreams and also to promote employees' voluntary enhancement of work skills and business expertise, aiming to enhance the company's core competitiveness and strengthen employees' motivation and vitality. Additionally, the company holds activities such as "Five Small Innovations" and "Skills Competitions" to stimulate employees' entrepreneurial innovation and work inspiration.

Case: Cultivating Craftsmanship Stars

SVOLT conducts skill competitions, skill training, and other activities to encourage employees to participate in corporate innovation and cultivate a "craftsmanship spirit" among frontline workers. In 2022, the company's labor union organized a total of 43 skill competitions, with nearly a thousand employees participated. SVOLT also carried out various skill training programs such as the Thousand People Plan, Lean Dojo, and Safety Dojo, with a cumulative training population exceeding 1,000 individuals.

Employee Promotion

As a company that values employee development and growth, SVOLT is committed to providing a fair, transparent, and opportunity-driven promotion path for each employee. The company evaluates employee capabilities and performance fairly and reasonably. SVOLT offers two promotion channels: management positions and professional positions. The company has established the Cadre Appointment and Removal Management System and the Non-Management Rank Promotion Management Rules, strictly adhering to the established institutional processes. Cadre appointments are divided into five promotion sequences: "Team Leader/Supervisor Level", "Manager Level", "Director Level", and "General Manager Level." Non-management ranks are divided into five grades from T1 to T5.

SVOLT assesses employee job performance through regular performance evaluations and assessments. Based on the evaluation results, the conditions and criteria for promotion are determined. The company also emphasizes the leadership capabilities of employees being considered for promotion, ensuring their competency for new job responsibilities through leadership training, exams, and other methods. Additionally, the ethical and compliant behavior of employees being considered for promotion is a key aspect of the evaluation process.

Case: Feng Qi Zhao Yang - Young Cadre Training Camp

SVOLT implements a personnel identification and development program specifically targeting highly adaptable and future-oriented young talents, including outstanding graduates and young professionals. Through a nine-month program cycle, consisting of three concentrated offline courses lasting six days in total, three separate internships totaling nine months for practical training, and mentoring by senior executives throughout the program, 30 manager-level talents are selected as future reserves.



Feng Qi Zhao Yang Program Process

Ensuring Employee Retention

Employee Rights and Benefits

SVOLT places great importance on protecting and safeguarding the rights of its employees. The company is committed to providing fair and equitable treatment, adhering to labor laws, regulations, and company policies to offer reasonable wages, benefits, and remuneration. Additionally, SVOLT supports and encourages employee participation in decision-making and expressing opinions, fosters an environment where employees can engage in discussions and contribute to the decision-making process, and provides channels and platforms for employees to voice their opinions and suggestions.

SVOLT respects employees' privacy rights. The company strictly adheres to legal regulations and internal policies regarding the collection, storage, use, and disclosure of employees' personal information. Appropriate measures are taken to protect employee information, ensuring mutual respect for privacy among employees and prohibiting the inquiry or dissemination of personal information.

Communication Channels

SVOLT actively promotes employee communication and encourages constructive feedback. The company continuously improves diverse and accessible communication channels. These include six communication channel: "General Manager's Email Feedback", "Workshop Manager Hotline Feedback", "HRBP DingTalk Feedback", "Shared Service Center Hotline Feedback", "Anonymous Tree Hole Posting on the Cloud Community" and "DingTalk Assistant Message Board." Additionally, employees can express their opinions or raise concerns through forums and employee representative assemblies.



Employee Engagement Surveys

SVOLT listens to its employees' voices and conducts employee engagement surveys across six dimensions: company identity, organizational operations, growth and development, compensation and benefits, management environment, and corporate culture. The survey is open to all regular employees. In 2022, the company collected 4,473 employee engagement survey questionnaires, resulting in an employee engagement index of 83.19%.



Complaint Channels

For any violations or actions that harm employee rights, employees can seek consultation and file reports through established communication platforms, as well as internal departments such as Human Resources, Audit and Inspection, Legal and Compliance, and the Union Liaison Office. In 2022, the employee complaint rate was 1.2697%, covering issues related to administrative support, personnel and compensation, supervision and integrity, financial reimbursement, safety management, dormitories, and cafeteria. The response rate to these issues was 100% (with responses provided within 24 hours).



Freedom of Association and Collective Contracts

SVOLT supports employees' freedom of association and collective bargaining, clearly stating that employees have the voluntary right to join labor union organizations. As of the end of 2022, all employees have signed the *Collective Contract for Technical Innovation*.

Compensation and Benefits

SVOLT is dedicated to providing employees with a competitive and sustainable compensation and benefits system. The company establishes the Compensation Management System and Performance Management System based on job requirements, employee capabilities, and performance. This ensures a scientific compensation management system and an improved performance evaluation system. Through individual career commitment agreements, job objectives are broken down to achieve an organic link between organizational and individual performance.

In addition to the base salary, the company provides a range of benefits, including but not limited to maternity benefits, holiday allowances, workplace activity funds, internal group purchases during festivals, employee birthday wishes, holiday greetings, condolences for employees' parents' birthdays, visits to injured or sick employees, and care for employees' families in case of accidents. In 2022, the company organized various activities, such as summer cooling initiatives, winter warmth initiatives, and distribution of holiday benefits.

Furthermore, SVOLT has launched an employee stock ownership plan to incentivize employee participation in the company's development. As the company continues to grow, conditions will be created to improve employees' living conditions and work benefits. The company plans to further enhance and promote the all-staff partnership program, allowing eligible employees to become shareholders and share the long-term development achievements of the company.

Additionally, in compliance with the requirements of Changzhou City, SVOLT actively implements the Collective Contract for Technical Innovation signing. By implementing the special collective contract for employees (model workers) in technical innovation, the company aims to fully leverage the leading role of model workers and innovative talents, encourage the transformation of scientific and technological achievements, further improve the treatment of technical workers, and motivate employees to enhance their skills.

Case: Union Focuses on Employee Care and Support, Implementing Measures to Protect Employee Rights

SVOLT Union, with a people-centric approach, prioritizes the rights and welfare of employees. Alongside providing non-monetary benefits, it actively organizes various cultural and sports activities to enrich employees' leisure time.



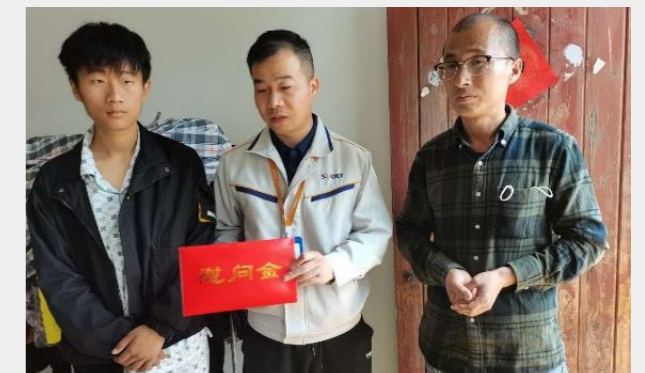
SVOLT Union Organizes Employee Cultural and Sports Activities



SVOLT Employee Commendation Conference

Support and Care

SVOLT consistently shows concern and care for front-line workers. To enhance their sense of mission, honor, and ownership, the company strives to provide promotion opportunities and honor awards that are tilted towards employees in challenging positions and front-line operations. Additionally, the union has established an Employee Support Fund to assist employees in overcoming difficulties and unforeseen events in their lives. In 2022, the union resolved issues related to more than 10 employees' children's education and provided assistance for employees' serious illnesses.



SVOLT Union Employee Care Activities

Ensuring Occupational Health

Safety Production

SVOLT strictly adheres to the laws and regulations of the People's Republic of China on Safety Production, as well as applicable laws and regulations in its overseas operations. The company has established a comprehensive safety production management system.

SVOLT Safety Production Performance

Indicators	Units	2020	2021	2022
Annual number of production accidents	Occurrences	39	27	24
Annual number of occupational injuries and fatalities	Number of individuals	39	27	16
Annual occupational injury and fatality rate	%	1.30	0.60	4.15
Annual number of lost workdays due to occupational injuries	/	114	101	603
Injury rate	Million hours injury rate	9.02	2.91	23.18
Severity rate	Million hours lost work rate	26.37	18.38	220.15

Implementation of Safety Responsibility

The SVOLT safety production management organization is led by the Chairman as the primary person in charge of EHS (Environment, Health, and Safety), with senior management overseeing and auditing. The EHS Department formulates "solid line" and "dotted line" collaborative management based on operational processes. Each SVOLT base has an EHS Department, including fire management and safety environmental management, responsible for the operation, implementation, and supervision of the EHS system at each base, reporting to the General Manager of each base. The headquarters' EHS Department plays a coordinating role, formulating regulations, conducting supervision, and managing the acceptance and management of each base in a dotted line manner.

As the primary person responsible for safety production, every employee bears the crucial task of safeguarding safety production. To cascade safety production objectives and responsibilities, SVOLT and all employees sign an annual Safety Production Responsibility Letter.

Mitigating Safety Hazards

To enhance our focus on the safe production and manufacturing of new energy vehicles and lithium batteries, on the basis of ensuring normal production, compliance with environmental standards and preventing safety incidents, SVOLT collaborated with the Shanghai Fire Research Institute and Shanghai Transportation Group as part of the national 863 New Energy Vehicle project. We actively participated in research on safety risk management in lithium battery factories. Addressing potential safety hazards associated with fires in lithium battery production, SVOLT, in collaboration with relevant institutions, conducted exploratory research on battery characteristics such as ignition temperature, smoke concentration, smoke composition, and propagation speed. Based on the experimental data, we redesigned the entire factory's fire emergency measures, effectively identifying and controlling fire risks in the lithium battery production process.

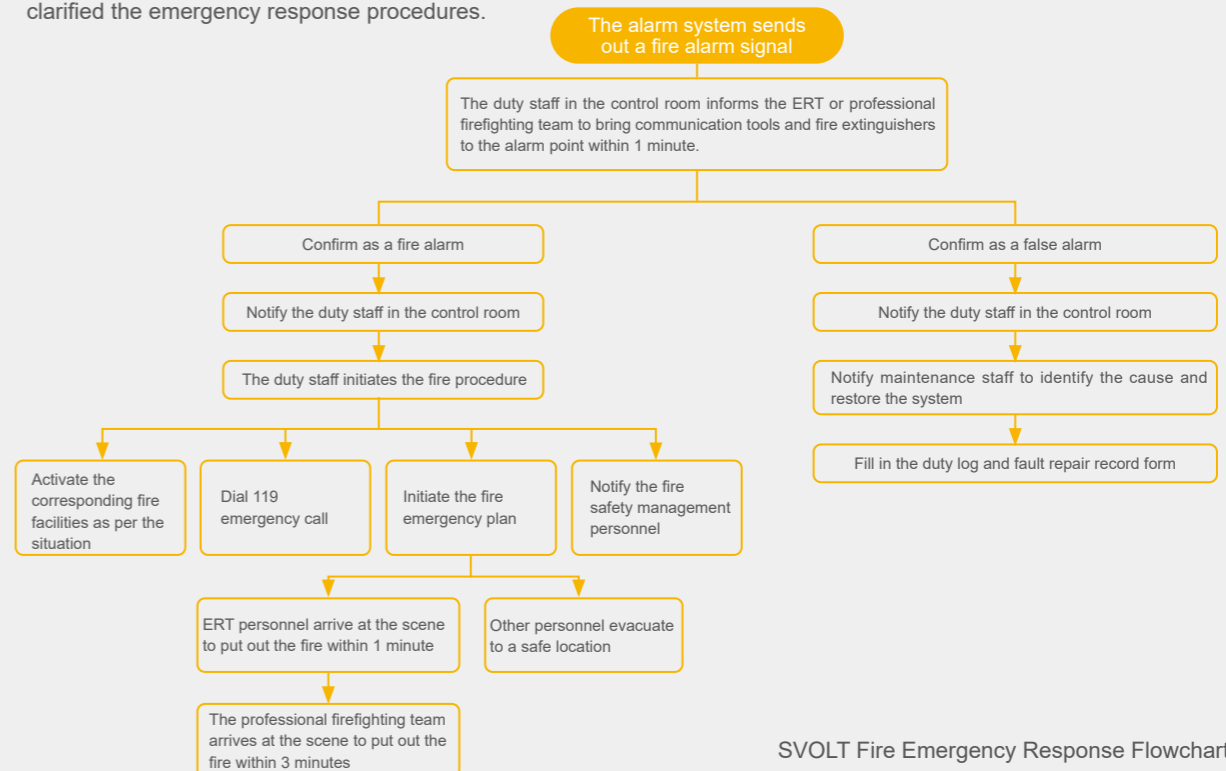
SVOLT actively promotes the concept of safety production throughout the industry. In 2022, the company contributed to the development of local standards for lithium battery safety management in Changzhou City and Jiangsu Province, further driving safety advancements in the region and the lithium battery industry.

Case : Implementing Fire Emergency Management Initiatives

SVOLT has established a predictive fire alarm system information platform that provides timely warnings and rapid response instructions for fire incidents. In addition, the company has developed the Dedicated Fire Brigade Management Standards, which outline the emergency response procedures. A dedicated fire brigade is assigned to conduct fire inspections and emergency handling within the factory premises. The fire control room operates with personnel on duty 24/7, conducting regular inspections and tests of firefighting equipment to ensure their readiness and minimize safety hazards. Furthermore, SVOLT has further clarified the emergency response procedures.



The self-developed fire predictive alarm system



SVOLT Fire Emergency Response Flowchart

Enhancing Safety Awareness

SVOLT strengthens the awareness of "safety production" by organizing activities such as the Safety Production Management Month and specialized safety management training, aiming to enhance the capacity to prevent and resolve safety incidents.

In order to enhance employees' safety awareness, SVOLT has implemented a three-tier safety training system. This system includes three-level safety education, team safety meetings, and specialized training on topics such as dust control, providing employees with clear guidelines to follow. Furthermore, SVOLT conducts safety awareness training and skill instruction for new employees prior to their job placement, reinforces safety awareness among frontline managers, conducts regular safety training for all company employees, and provides safety awareness and skill retraining for individuals responsible for safety violations. These measures are aimed at educating employees on safety knowledge and advocating for the importance of safe production and operations.



Case: SVOLT conducts specialized safety production training

SVOLT establishes the Safety Dojo, a dedicated training area for safety education and experience. This training covers three major modules: fire safety, occupational health, and safety equipment, encompassing a total of 17 training programs, including 3 theoretical training subjects and 14 experiential training subjects. This includes pre-employment safety awareness training and skills instruction for new employees, reinforcing safety awareness among frontline managers, conducting regular safety training for all employees, and providing safety awareness and skills retraining for individuals responsible for safety violations. These initiatives effectively promote the enhancement of employee safety awareness.



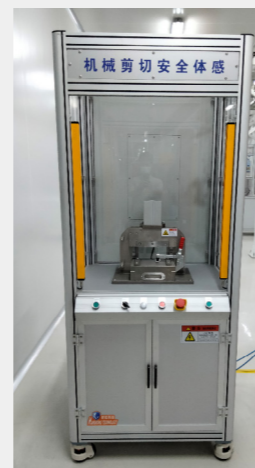
Safety Dojo



LOTO, Experiential training on fire equipment

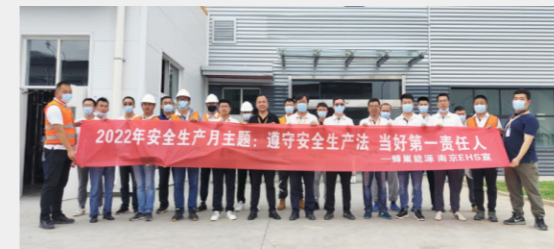


Experiential training on electric shock and mechanical injury

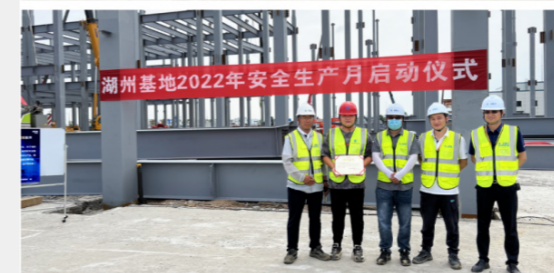


Case: SVOLT conducts Safety Production Month activities to create a safe production environment

In June 2022, SVOLT carried out its Safety Production Month activities with the guiding principle of "placing safety production at the forefront of all work" and the theme of "adhering to safety production laws and being accountable as the primary responsible party." These activities aimed to firmly establish a red line awareness, reinforce safety production responsibilities, enhance hazard identification and control, identify and implement effective corrective measures to eliminate potential risks, and significantly improve employee safety awareness. This initiative created a secure production environment to support the overall strategic advancement of SVOLT.



SVOLT initiated Safety Production Month activities at its Baoding and Nanjing branches.



SVOLT initiated Safety Production Month activities at its Huzhou and Ma Anshan branches.

Occupational Health

Occupational Health Management System

SVOLT strictly adheres to laws and regulations such as the People's Republic of China Safety Production Law and the People's Republic of China Law on the Prevention and Control of Occupational Diseases. Internal management systems, including the Environmental, Health, and Safety Manual, Occupational Health Management Procedures and Labor Protection Equipment Management and Control Procedures, have been developed. An organizational structure is in place, with the Chairman serving as the primary responsible person for EHS (Environment, Health, and Safety), a Senior Vice President overseeing EHS, and the EHS Department coordinating the EHS centers across production bases. As of the end of 2022, SVOLT and its Baoding branch have obtained ISO 45001 certification for occupational health and safety management systems.

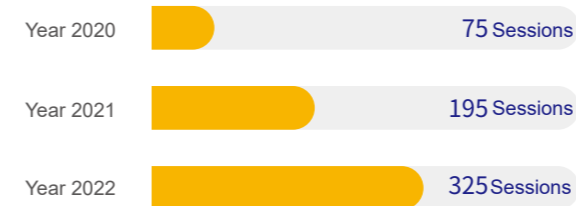
Occupational Disease Prevention and Control

The company has a systematic plan and implementation program for occupational disease prevention and control. To ensure the effectiveness of occupational disease protection facilities, SVOLT has developed the EHS Equipment and Facility Safety Management Procedures, which require the simultaneous design, construction, commissioning, and use of protective facilities in major construction projects. Professional personnel are assigned to regularly inspect, maintain, and upkeep the occupational disease protection facilities to ensure their integrity and effectiveness. Furthermore, SVOLT has identified major occupational hazards such as noise, high temperature, X-ray, dust, and inorganic compound based on the characteristics of its products. Strict implementation of the Occupational Health Management Procedures is followed. SVOLT entrusts qualified occupational hygiene technical service organizations to conduct regular testing and evaluation of occupational hazards in the workplace to ensure a safe working environment. In 2022, the company monitored various occupational health indicators and no cases of occupational diseases were reported.

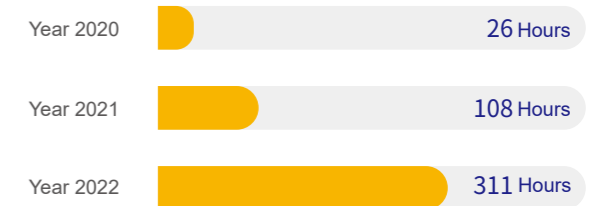
In addition, SVOLT provides medical examinations for workers engaged in positions involving exposure to occupational hazards before employment, during employment, and upon leaving the job. Occupational health records are established for the workers, and occupational disease protective equipment that meets standard requirements is provided and distributed to workers based on the characteristics of the occupational hazards they are exposed to, ensuring their occupational health.

Performance of SVOLT's Occupational Health and Safety Training

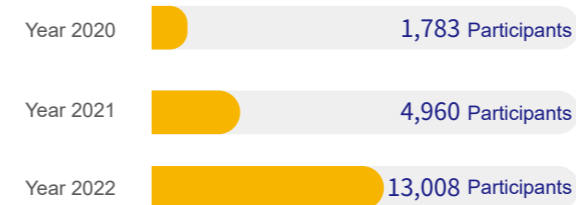
Number of Occupational Health and Safety Training Sessions



Total Duration of Occupational Health and Safety Training



Number of Participants in Occupational Health and Safety Training



Occupational Health and Safety Training

SVOLT organizes diverse occupational health and safety training programs, including occupational health consultations and first aid training, to enhance the occupational health and safety awareness of employees at various production bases. In 2022, the company conducted 325 occupational health and safety training sessions, totaling 311 hours of training for employees. A total of 13,008 person-times participated in training related to occupational health and safety production.



First Aid Training



Occupational Health Training and Promotion



Appendix

Appendix I: Key Performance Indicators

Governance Dimension

Indicators	Unit	2020	2021	2022
Independent Directors				
Number of objections raised by independent directors	Sessions	/	0	0
Number of abstentions by independent directors	Sessions	/	0	0
Percentage of independent directors	/	/	1/3	1/3
Female directors				
Percentage of female directors	%	/	1/9	1/9
Board meetings				
Number of board meetings held	Sessions	/	3	10
Number of board meeting attendance expected	Person-times	/	27	89
Number of board meeting attendees	Person-times	/	27	89
Board meeting attendance rate	%	/	100	100
Number of board resolutions reviewed	Items	/	18	84
Supervisory board meetings				
Number of supervisory board meetings held	Sessions	/	3	3
Number of supervisory board attendance expected	Person-times	/	9	9
Number of supervisory board attendees	Person-times	/	9	9
Supervisory board attendance rate	%	/	100	100
Number of supervisory board resolutions reviewed	%	/	3	29
Compliance training				
Number of compliance training sessions	Sessions	1	5	18
Duration of compliance training	Hours	1.5	9	25
Number of participants in compliance training	Person-times	20	132	570

Indicators	Unit	2020	2021	2022
Anti-corruption training				
Average anti-corruption training hours per person	Hours	2.01	2.71	2.64
Average anti-corruption training hours per director	Hours	0.33	2.33	2.44
Patent applications and grants				
Number of patent applications per year	Items	1,010	1,456	1,709
Number of patents granted per year	Items	516	875	1,581
Total number of granted patents	Items	886	1,761	3,342
Intellectual property training				
Number of intellectual property training sessions	Sessions	/	/	6
Duration of intellectual property training	Hours	/	/	8
Number of participants in intellectual property training	Person-times	/	/	3,683

Environmental dimension

Indicators	Unit	2020	2021	2022
Material Usage				
Office paper consumption	Metric tons	4.64	20.03	35.84
Packaging material consumption	Metric tons	/	2,174.39	1636.7
Amount of packaging material recycled and utilized	Metric tons	/	/	22.426
Water Resource Management				
Total Water Consumption	Megaliter	602.02	1,341.67	2,813.67
Water Consumption Intensity	Megaliter/GWh	/	312.28	276.35
Total Fresh Water Consumption	Megaliter	464.66	1,083.95	2,403.64
Total Water Recycled and Reused	Megaliter	1.80	248.11	456.48
Energy Management				
Total Consumption	Tons of SCE	30,869.49	73,259.95	160,948.08
Consumption Intensity	Tons of SCE/GWh	/	17,051.47	15,807.89
Purchased Electricity	kWh	120,740,591.00	286,045,415.30	618,307,411.00
Purchased Heat	GJ	430,816.53	770,769.95	1,337,896.32

Indicators	Unit	2020	2021	2022
Direct Energy Consumption	Tons of SCE	1,330.66	11,806.29	39,309.07
Indirect Energy Consumption	Tons of SCE	29,538.83	61,453.65	121,639.00
Natural Gas	Standard m3	1,209,689.88	10,732,994.00	35,735,521.00
Air Pollutant Management				
Total Waste Gas Emissions	Ten thousand cubic meters	30,045.48	62,018.32	254,650.40
NMHC	Metric ton	0.058548	0.676459	8.114076
Sulfur dioxide	Metric ton	0.379	0.306	0.489
Nitrogen oxide	Metric ton	0.554	3.7116	7.7328
Dust	Metric ton	0.859	0.3411	0.2504
Fluoride	Metric ton	0	0.002	0.0137
Particulate matter	Metric ton	0	0	2.06
Hydrogen Chloride	Metric ton	0	0	0.1
Exhaust Emission Density	Ten thousand cubic meter/ GWh	/	14,434.83	25,011.13
Water Pollutant Management				
Water Pollutant Generation	Metric ton	8.62	11.47	16.29
Chemical Oxygen Demand (COD _{Cr})	Metric ton	3.39	4.22	5.82
Biochemical Oxygen Demand (BOD ₅)	Metric ton	1.21	1.49	1.14
Total Phosphorus (as P)	Metric ton	0.024181	0.046108	0.071719
Ammonia Nitrogen (NH ₃)	Metric ton	0.105448	0.308810	0.516426
Suspended Solids (SS)	Metric ton	3.33138	4.422535	7.68599
Total Cobalt	Metric ton	0.001612	0.000864	0.003024
Total Nitrogen (as N)	Metric ton	0.56067	0.988116	1.034126
Animal and Vegetable Oils	Metric ton	0	0	0.019774
Water Pollutant Generation Density	Metric ton/GWh	/	2.67	1.60
Wastewater Generation	Metric ton	263,078.00	368,049.00	401,271.69
Wastewater Discharge	Metric ton	244,587.90	312,104.00	363,911.19
Wastewater Generation Density	Metric ton/GWh	/	85,663.82	39,411.92
Wastewater Discharge Density	Metric ton/GWh	/	72,642.56	35,742.46

Indicators	Unit	2020	2021	2022
Greenhouse Gas Emissions				
Direct (Scope 1) greenhouse gas emissions	Tons of carbon dioxide equivalent	3,284.84	29,986.00	95,558.00
Tons of carbon dioxide equivalent	Tons of carbon dioxide equivalent	149,126.55	250,978.00	499,790.00
Environmental Protection Training				
Environmental Protection Training Sessions	Sessions	61	148	195
Environmental Protection Training Duration	Hours	10	18.5	178.5
Environmental Protection Training Participants	Person-times	1,694	3,797	5,310

Social dimension

Indicators	Unit	2020	2021	2022
Product and Customer Responsibility				
Number of product/service complaints received	Cases	0	158	595
Product/service complaint rate	%	0	0.0246	0.0105
Product/service complaint response rate	%	100	100	100
Product/service complaint resolution rate	%	100	100	100
Research and innovation				
Research and development investment	Hundred million	3.80	7.24	11.45
Research and development investment ratio	%	21.89	16.18	11.48
Standardization				
Total Number of Standards Developed	Items	3	15	18
National Standards Developed	Items	1	0	12
Industry Standards Developed	Items	0	1	2
Group Standards Developed	Items	2	14	4

Indicators	Unit	2020	2021	2022	
Supplier Management					
Number of suppliers categorized by region	Mainland China	Number of suppliers	/	/	535
	Overseas	Number of suppliers	/	/	2
	Total hours of supplier training	Hours	/	/	8
Supplier training	Number of companies participating in supplier training	Number of suppliers	/	/	161
	Number of training sessions for suppliers	Sessions	/	/	5
Supplier proportion	Percentage of suppliers certified with ISO 45001	%	/	/	73%
	Percentage of suppliers certified with ISO 14001	%	/	/	88
	Percentage of suppliers certified with ISO 9001	%	/	/	100
	Supplier anti-corruption agreement signing rate	%	/	/	100
Supplier anti-corruption	Number of suppliers terminated due to corruption incidents	Number of suppliers	/	/	0
	Number of supplier anti-corruption training sessions	Sessions	/	/	4
	Supplier anti-corruption training hours	Hours	/	/	4
	Supplier anti-corruption training coverage percentage	%	/	/	95
	Percentage of new suppliers screened with environmental standards	%	/	/	95
	Number of suppliers with actual or potential negative environmental impacts	Number of suppliers	/	/	0
	Number of suppliers with negative environmental impacts but agreed to improve	Number of suppliers	/	/	0
Supply chain risk management	Number of suppliers with negative environmental impacts and terminated cooperation	Number of suppliers	/	/	0
	Percentage of new suppliers screened with social standards	%	/	/	100
	Number of suppliers with actual or potential negative social impacts	Number of suppliers	/	/	0
	Number of suppliers with negative social impacts but agreed to improve	Number of suppliers	/	/	0
	Number of suppliers with negative social impacts and terminated cooperation	Number of suppliers	/	/	0
Controversial procurement and conflict minerals	Percentage of products purchased with external certification from the strictest standard organizations	%	/	/	100
	Traceability of raw materials	%	/	/	100

Indicators	Unit	2020	2021	2022	
Data security					
Number of data/privacy breach incidents	Occurrences	0	0	0	
Social contribution					
Total donation amount	Ten thousand	6	8	11	
Total investment in rural revitalization	Ten thousand	5	5	5	
Excluding withheld and remitted taxes	RMB	10,937,813.52	94,230,944.45	228,788,455.41	
Withheld and remitted taxes	RMB	21,635,104.63	64,341,332.69	83,052,816.33	
Employee responsibility					
Employee composition	Total number of employees	Person	/	/	13,560
Gender Distribution	Total number of male employees	Person	/	/	10,791
	Total number of female employees	Person	/	/	2,769
Age Distribution	Total number of employees aged 30 and below	Person	/	/	7,946
	Total number of employees aged above 30 and below 50	Person	/	/	5,576
	Total number of employees aged 50 and above	Person	/	/	38
Hierarchy Distribution	Number of senior management personnel	Person	/	/	18
	Number of middle management personnel	Person	/	/	396
	Number of grassroots employees	Person	/	/	13,146
Regional Distribution (Contractual Entities and Registered Locations)	Mainland China	Person	/	/	13,495
	Hong Kong, Macao, Taiwan, and Overseas	Person	/	/	65
Ethnicity Distribution	Minority ethnic groups	Person	/	/	545
	Non-minority ethnic groups	Person	/	/	12,956
	Others (foreign personnel)	Person	/	/	59
Diversity	Percentage of overseas employees	%	/	/	0.44
	Percentage of female employees	%	/	/	20.42
Employee Training	Total number of training sessions	Sessions	/	/	283,491
	Total training hours	Hours	/	/	293,802.7
	Total number of trainees	Person-times	/	/	12,806
	Training expenditure	RMB	/	/	2,122,294.08

Indicators	Unit	2020	2021	2022	
Employee Training	Average training hours per employee	Hours	/	/	21.67
	Average training hours for senior management	Hours	/	/	1.05
	Average training hours for middle management	Hours	/	/	1.04
	Average training hours for grassroots employees	Hours	/	/	1.02
	Average training hours for male employees	Hours	/	/	1.06
	Average training hours for female employees	Hours	/	/	1.03
Occupational Health and Safety					
Annual number of production accidents	Occurrences	39	27	24	
Annual number of occupational injuries and fatalities	Number of individuals	39	27	16	
Annual occupational injury and fatality rate	%	1.3	0.6	4.15	
Annual number of lost workdays due to occupational injuries	/	114	101	603	
Injury rate	Million hours injury rate	9.02	2.91	23.18	
Severity rate	Million hours lost work rate	26.37	18.38	220.15	
Occupational disease incidence rate	%	0	0	0	
Number of Occupational Health and Safety Training Sessions	Sessions	75	195	325	
Total Duration of Occupational Health and Safety Training	Hours	26	108	311	
Number of Participants in Occupational Health and Safety Training	Person-times	1,783	4,960	13,008	

Appendix II: Content Index

Comparison Table for Shanghai Stock Exchange's Guidelines for the Preparation of Corporate Social Responsibility Reports

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Appendix III: Reader's Opinion

Respected readers:

Thank you for reading this report. We appreciate and look forward to your feedback. Your opinions and suggestions are important for us to continuously improve corporate ESG information disclosures and promote corporate ESG management and practice. Welcome and sincerely thank you for your valuable opinions!

1.Which stakeholder group do you belong to?

- Employees Customers Investors Suppliers Government Other

2.What is your overall assessment of our ESG performance?

- Excellent Good Average Poor Bad

3.What is your overall assessment of this report?

- Excellent Good Average Poor Bad

4.How do you think we have performed in terms of stakeholder communication?

- Excellent Good Average Poor Bad

5.How do you think we have performed in terms of corporate governance?

- Excellent Good Average Poor Bad

6.How do you think we have performed in terms of environmental management?

- Excellent Good Average Poor Bad

7.How do you think we have performed in terms of social responsibility?

- Excellent Good Average Poor Bad

8.Do you think this report reflects our contributions in the ESG field?

- Yes No

9.What are your opinions and suggestions regarding our performance in ESG and this report?

SVOLT

SVOLT Energy Technology Co., Ltd.

8899, Xincheng Avenue, Jintan District,
Changzhou, Jiangsu Province, P. R. China

SVOLT Energy Technology Co., Ltd.