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ESG | 2023
REPORT |
ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT
Sunwoda Electronic Co., Ltd.

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About This Report

Report Description

This report is the fourth ESG report issued by Sunwoda Electronic Co., Ltd. (hereinafter referred to as "Sunwoda", "the Company", "the Group", "We" or "us") to all stakeholders. The textual information and performance indexes mentioned in this report is mainly from January 1, 2023, to December 31, 2023. For a more comprehensive comparison, some of the information will be moderately extended to the previous and or reflecting the policies and practices of 2024.

Scope of Report

Unless otherwise specified, the disclosure scope of environmental data and occupation, safety, and health (OSH) data of employees covers companies with an asset greater than RMB 5 million, including Sunwoda and its subsidiaries, totaling 34 companies. All textual materials and other data cover the entire group.

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

- Sunwoda Electric Vehicle Battery Co., Ltd. ("Sunwoda EVB")
- Sunwoda Energy Technology Co., Ltd. ("Energy Technology")
- Huizhou Sunwoda Energy Technology Co., Ltd. ("Huizhou Energy Technology")
- Shenzhen Precise Testing Technology Co., Ltd. ("PTL")
- Nanjing Precise Testing Technology Co., Ltd. ("Nanjing PTL")
- Shenzhen Sunwinon Zhiwang Technology Co., Ltd. ("Sunwinon Zhiwang")
- Shenzhen Sunwoda Intelligence Technology Co., Ltd. ("Sunwoda Intelligence Technology")
- Shenzhen Sunwinon Electronic Co., Ltd. ("Shenzhen Sunwinon")
- Shenzhen Sunwinon Intelligence Co., Ltd. ("Sunwinon Intelligence")
- Huizhou Sunwinon Electronic Co., Ltd. ("Huizhou Sunwinon")
- Huizhou Sunwoda New Energy Co., Ltd. ("Huizhou New Energy")
- Huizhou Sunwoda New Power Energy Co., Ltd. ("Huizhou New Power")
- Sunwoda Power Technology Co., Ltd. Boluo Branch ("Power Boluo Branch")
- Huizhou Liwinon New Energy Technology Co., Ltd. ("Huizhou Liwinon New Energy")
- Huizhou Liwinon Electronic Technology Co., Ltd. ("Huizhou Liwinon Electronic")
- Huizhou Winone Precision Technology Co., Ltd. ("Winone")
- Huizhou Sunwoda Intelligent Industry Co., Ltd. ("Intelligent Industry")
- Huizhou De.Power Technology Co., Ltd. ("Huizhou De.Power")
- Dongguan Liwinon Energy Technology Co., Ltd. ("Dongguan Liwinon")
- Nanchang Sunwoda New Energy Co., Ltd. ("Nanchang Sunwoda")
- Zhejiang Sunwoda Electronic Co., Ltd. ("Zhejiang Sunwoda Electronics")
- Zhejiang De.Power Technology Co., Ltd. ("Zhejiang De.Power")
- Zhejiang Liwinon Energy Technology Co., Ltd. ("Zhejiang Liwinon")
- Zhejiang Liwinon Electronic Technology Co., Ltd. ("Zhejiang Liwinon Electronic")
- Zhejiang Sunwinon Electronic Technology Co., Ltd. ("Zhejiang Sunwinon Electronic")
- Nanjing Sunwoda New Energy Co., Ltd. ("Nanjing Sunwoda")
- Shandong Sunwoda New Energy Co., Ltd. ("Shandong Sunwoda")
- Deyang Sunwoda New Energy Co., Ltd. ("Deyang Sunwoda")
- Yuzhou Yuke Photovoltaic Power Co., Ltd. ("Yuke Photovoltaic Power")
- Ganzhou Junsheng Environmental Protection Technology Co., Ltd. ("Ganzhou Junsheng")
- Sunwoda Electronic India Private Limited ("Sunwoda India")
- Winone Precision Technology India Private Limited ("Winone India")
- Xineng Nanjing Energy Technology Co., Ltd. ("Xineng Nanjing")
- Shandong Xineng Electric Power Service Co., Ltd. ("Shandong Xineng Electric Power")

Report Data Description

The financial data in this report are derived from the Company's audited financial statements, while other data are sourced from the Group's internal documents and information. Unless otherwise stated, the currency and financial numbers are denominated in RMB. The content of this report does not contain any false records, misleading statements, or significant omissions. We bear individual and joint liability for the truthfulness, accuracy, and completeness of the report's content. This report is available in both Chinese and English versions. If there are slight discrepancies in content, the Chinese version shall prevail.

Basis of Preparation

This report is compiled in reference to the Global Reporting Initiative Standards (GRI Standards), the United Nations Sustainable Development Goals (SDGs), and the Guidance on Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) of the Chinese Academy of Social Sciences, while reflecting the actual situation of the company.

Process of Preparation

This report is based on the company's ESG practices and follows a rigorous process of "project initiation and approval - material collection - compilation and revision - senior management discussion - review by the Board of Directors - external disclosure". Throughout the process, we have actively engaged with relevant stakeholders in the stages of project initiation and approval, compilation, and revision, to conduct research and deliberations on the report's framework and content.

Access to Report

The e-copy of report can be accessed and downloaded from the official website of Sunwoda (<https://www.sunwoda.com/>).

The company will continue to improve its reporting disclosure standards and ESG management in the future. If you have any questions or suggestions regarding this report, please feel free to contact us at:

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Chairman of Sunwoda Wang Wei

Message from the Chairman

The past year has been a year of both opportunities and risks. Sunwoda persevered amidst the challenging economic environment and international landscape. By seizing development opportunities in the realm of new energy, the company has diligently forged ahead, attaining stable and sustainable growth. In 2023, the Company achieved a revenue of RMB 47.862 billion and the net profit attributable to shareholders of the Company was RMB 1,076 million, a YoY increase of 0.77%. Furthermore, we have been steadfast in promoting sustainable development, seamlessly integrating ESG principles into our corporate operations. This integration has facilitated green and low-carbon development, generated social value, enabled us to keep abreast with the times, actively fulfilled our corporate social responsibilities, and ultimately achieved remarkable progress.

Proposing a strategic direction and entering a new era of ESG management. Facing the challenges of sustainable development, we have formulated a global "4P" strategy, emphasizing clean world (Planet), green products (Product), community humanities (People) and win-win partnership (Partner). This framework serves as a guiding principle for our attention to the sustainable progress of the environment, our products, societal well-being, and the entire value chain. To ensure the seamless integration of ESG principles into our daily management and operations, we have established governance structures such as the Sustainable Strategy Committee and the Sustainable Management Committee. These committees work together to promote ESG practices from the top-down,

ensuring that our entire organization is aligned with these sustainable objectives. Furthermore, we have actively engaged with professional organizations and initiatives, including the United Nations Global Compact (UNGC), Global Battery Alliance (GBA), ISSB International Sustainable Standards Board Early Learner Partners, and China ESG Alliance. Through these collaborations, we aim to jointly explore innovative ESG practices and contribute to the global effort towards sustainability.

Committed to achieving net-zero emissions and embracing green development across the value chain. We recognize the urgent need to address climate change in the context of "carbon neutrality" ascending to a national strategic objective and gaining widespread societal consensus. Aware of the severe risks posed by climate change, we joined the Science Based Targets initiative (SBTi) in 2023 and embarked on a comprehensive life cycle carbon reduction strategy. Over the course of the year, we successfully implemented more than 200 energy-saving technical renovation projects, resulting in a savings of 4,660.32 tons of standard coal equivalent (tce), thus fulfilling our dual objectives of controlling total carbon emissions and emission intensity. Our commitment to sustainability was further recognized with a B rating in the CDP Climate Change Questionnaire, reflecting our progress in advancing towards carbon neutrality goals. Additionally, we initiated the "Low-Carbon Development of the Supply Chain" project, aiming to establish best practices and mature solutions that pave the way for widespread adoption of low-carbon management throughout the supply chain. As a demonstration enterprise for green and low-carbon applications in Shenzhen, we were honored to make our debut at the United Nations Climate Change Conference (COP28). This platform allowed us to showcase our unique "Sunwoda" experience in low-carbon green development.

Adhering to innovation-driven development and empowering a clean future. We integrate green and low-carbon concepts into product manufacturing, business operations, and the company's overall strategic planning. We continue to focus on the digital and intelligent transformation

of the enterprise, increase investment in scientific and technological research and development, and actively drive the sustainable development of the industry chain. Our intelligent manufacturing capabilities have received continuous national-level recognition, and we have been selected as a "Digital Navigation" enterprise by the Ministry of Industry and Information Technology of the People's Republic of China. Our subsidiary, Zhejiang Liwinon, has been honored with the title of a national-level intelligent manufacturing demonstration factory. We have seen the establishment of our first European factory in Hungary, the opening and commencement of production at the Dianbai automotive electronics production base, the delivery of products from the Yiwu base, the consecutive launches of flash charge batteries and ultra-low-temperature sodium-ion batteries, and the global premiere of the new generation of Super commercial and industrial energy storage systems etc. These remarkable "Sunwoda moments" are testament to the unwavering dedication and efforts of all our employees.

Fostering a community humanities, and creating social value. We adhere to the employment philosophy of "value creation as the cornerstone". We prioritize safeguarding employee rights and welfare, enhancing talent cultivation mechanisms, and striving diligently to foster a diverse, equitable, and inclusive workplace. With compassion, we prioritize carrying out public welfare services, including assisting the disadvantaged, providing educational support, caring for the ill, facilitating medical assistance, and responding to disasters. We are committed to supporting the advancement of public welfare and charitable endeavors. In 2023, we added 5,497 new job opportunities globally. The total amount of public welfare donations for the year was RMB 14.533 million, with a cumulative donation amount of over RMB 63 million over the years.

Looking ahead, we aspire to continue our journey towards becoming a globally renowned green energy manufacturing enterprise. Adhering to our core values of customer success, honesty first, self-criticism, passionate endeavor, and teamwork, we are committed to contributing our utmost to the progress of the new energy industry.

About Sunwoda

/ Company Profile

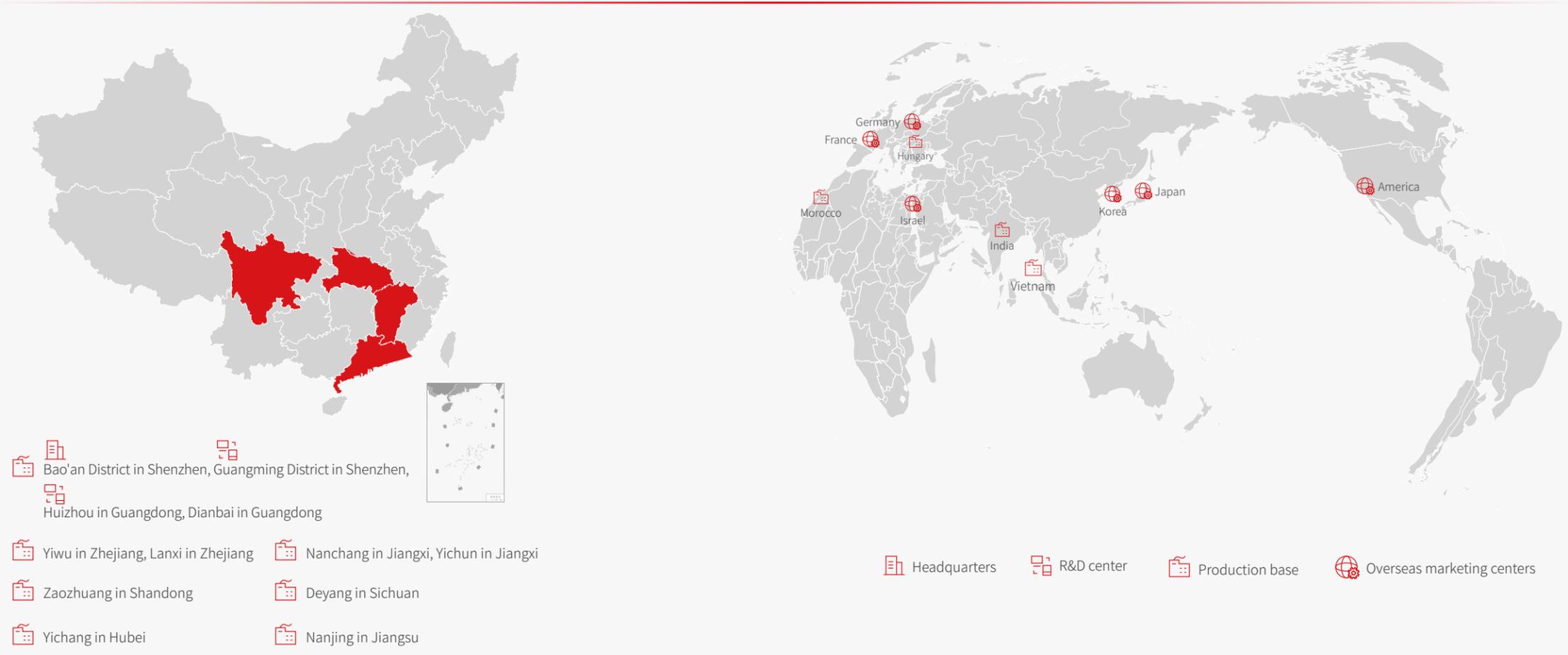
Sunwoda Electronic Co., Ltd., a global pioneer in lithium-ion battery sector, was established in 1997 and listed on the Shenzhen Stock Exchange in 2011 (stock code: 300207). In 2022, the company successfully issued GDR and listed on the SIX Swiss Exchange. With the mission of "Innovation drives the progress of new energy world", Sunwoda is committed to contributing wisdom and strength to the achievement of the "carbon peaking and carbon neutrality" goals. The company has diversified its operations across five key business segments: 3C battery, power battery, energy storage system, intelligent hardware, and innovation and ecology. Guided by the vision of "Rooting in Shenzhen, serving the world," Sunwoda has expanded its manufacturing footprint across Guangdong, Jiangsu, Zhejiang, Shandong, Jiangxi, Sichuan, and Hubei provinces in China, as well as in India, Vietnam, Hungary, and Morocco. Additionally, it has established overseas branches in the United States, France, Germany, Israel, Korea, and Japan.

16 production bases

China: Guangdong, Zhejiang, Jiangxi, Shandong, Sichuan, Hubei, Jiangsu
Overseas: India, Vietnam, Hungary, Morocco

7 overseas marketing centers

North America: Los Angeles and Silicon Valley in USA
Europe: Paris in France, Hamburg in Germany
Asia: Tel Aviv in Israel, Seoul in South Korea, Tokyo in Japan



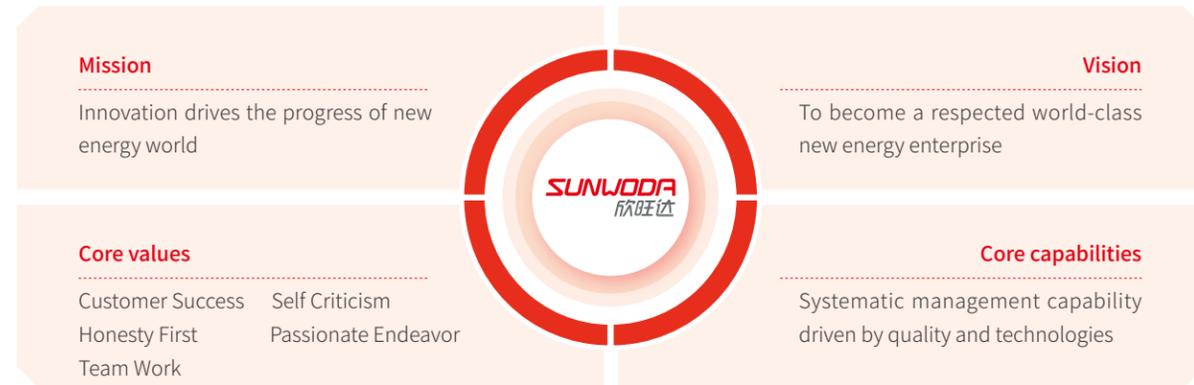
- Bao'an District in Shenzhen, Guangming District in Shenzhen, Huizhou in Guangdong, Dianbai in Guangdong
- Yiwu in Zhejiang, Lanxi in Zhejiang
- Nanchang in Jiangxi, Yichun in Jiangxi
- Zaozhuang in Shandong
- Deyang in Sichuan
- Yichang in Hubei
- Nanjing in Jiangsu

Sunwoda firmly believes that "Never forget the original aspiration, forge ahead, and the dreams will ultimately illuminate the future." We are committed to relentlessly building an ecological platform for the new energy industry, enabling new energy to better serve humanity, and striving to fulfill the dream of becoming a billion-dollar enterprise in the future.

Business Segments



/ Corporate Vision



/ Financial Performance in 2023



/ Milestones



* Net profit refers to the net profit attributable to the shareholders of the company

/ Honors in 2023

Sunwoda's Recognition and Awards Received in ESG

February 2023

- Forbes China's 2023 Annual ESG Inspirational Case
Forbes China
- 2022 Forbes China Top 50 Sustainable Development Industrial Enterprises
Forbes China

May 2023

- Excellent Enterprise Case of Asian Low-Carbon Technology Innovation Conference
Chinese Society for Environmental Sciences and China International Science and Technology Exchange Center



The 10th Anniversary of Shenzhen Carbon Market "Leading Enterprise in Green and Low-carbon"

Forbes China Top 50 Sustainable Development Industrial Enterprise

June 2023

- Outstanding Enterprise in Guangdong Province for Pollution Reduction and Carbon Emission Reduction in 2022
Department of Ecology and Environment of Guangdong Province
- Excellent Practice Case of Green and Low-carbon Development in 2022
China Enterprise Confederation

- Leading Enterprise in Green and Low-carbon
Shenzhen Emission Rights Exchange

July 2023

- Ranked 7th on the Chinese Corporate Social Responsibility List (2022)
South Weekend
- Outstanding Responsible Enterprise of 2022
South Weekend

September 2023

- Siemens China Zero Carbon Pioneer Award - Operational Pioneer Excellence Award
Siemens China

October 2023

- Second place in the "Listed Company Battery Industry Dual Carbon Leadership"
Finance Magazine
- 2023 ESG Exemplary Enterprise Award
Time magazine

November 2023

- Carbon Neutral Pioneer Award
36 Carbon
- 2023 IDC China Sustainable Development Pioneer Case
IDC China

December 2023

- Interface News ESG Pioneer 60 - Annual Environmental Responsibility Excellence Award
Interface News
- Excellent Practice Cases for Green and Low Carbon Development of Enterprises in 2023
China Enterprise Federation and China Entrepreneur Association

Sunwoda's Recognition and Awards Received in Business Operation

February 2023

- 2022 Special Contribution Award for Suppliers
Dongfeng Fengshen
- Excellent Supplier
Dongfeng Liuzhou Motor Co., Ltd.

- Scientific and Technological Innovation Award
GAC Motor Co., Ltd.

September 2023

- Best Product Innovation Award
Geely Automobile Group
- Technology Contribution Award
XPeng Inc.

February 2023

- 2023 National Ministry of Industry and Information Technology "Digital Navigation" Enterprise
Ministry of Industry and Information Technology of the People's Republic of China

March 2023

- 2022 First Cluster Clean and Low-carbon Product Award
Advanced Battery Materials Industry Cluster

June 2023

- 2023 Guangdong-Hong Kong-Macao Greater Bay Area Energy Storage Science and Technology Innovation
Organizing Committee of Guangdong-Hong Kong-Macao Greater Bay Area Energy Storage Innovation and Investment Forum
- Ranked 291st in Fortune China Top 500 Listed Companies in 2023
Fortune China

July 2023

- Shenzhen Industrial Award
Shenzhen Federation of Industries

September 2023

- Ranked 37th in Top 500 Global Most Powerful New Energy Companies in 2023
Jointly released by China Energy News and China Institute of Energy Economics

- Ranked 218th in China's Top 500 Private Companies in 2023
All China Federation of Industry and Commerce

- Ranked 146th in China's Top 500 Manufacturing Companies in 2023
All China Federation of Industry and Commerce

- Ranked 29th in Guangdong Province Top 100 Private Companies in 2023
Guangdong Province Federation of Industry and Commerce

November 2023

- 2023 Forbes China Top 50 Innovative Companies
Forbes China

December 2023

- 2023 Annual Smart Manufacturing Demonstration Factory
Ministry of Industry and Information Technology

ANNUAL
THEME



Actively Responding to the EU Battery Regulation and Navigating the Era of Green Battery

The Battery and Waste Battery Regulation (*EU Battery Regulation*) issued by the EU in 2023 outlined stringent requirements for batteries entering the EU market. These requirements cover various aspects, including harmful substances, carbon footprint, use of recycled raw materials, electrochemical performance and durability, detachability and replaceability, battery waste management, and labeling. This regulation poses both challenges and opportunities for the battery industry. As a leading global battery manufacturer, Sunwoda is at the forefront of addressing this regulatory shift. The company has integrated sustainable development principles into its corporate strategy, emphasizing low-carbon development across its supply chain. While enhancing its internal capabilities, Sunwoda also prioritizes the establishment of an effective supply chain management system. Sunwoda expedites the establishment and enhancement of the carbon footprint standard system for power batteries, and vigorously facilitate mutual recognition with international standards. The company is engaging with the international community to achieve mutual recognition for its efforts in this area. Additionally, Sunwoda is making strides in the battery recycling sector, embracing the circular economy model and seizing development opportunities to establish a low-carbon advantage in global competition.

/ Professional Growth

During the reporting period,
9 monthly reports were released, focusing on specialized topics including the EU Battery Regulation and industry insights.

- Interpretation of Regulations** Invited professionals to deeply interpret the EU Battery Regulation and formed a specific internal implementation strategy
- Expert Training** Invited experts to conduct training and interpret the key provisions of the regulation
- Conferences** Participated in industry association conferences to exchange ideas on the interpretation of the new Regulation and enterprise responses accordingly

/ Specialized Initiatives

Supply Chain Research and Management

In order to align with the mandates of the EU Battery Regulation and satisfy the need of the customers, we embarked on a "Low-Carbon Development of Supply Chain" initiative. This project seamlessly integrates the principles of "carbon peak and neutrality" into our supply chain management practices, emphasizing emission reduction throughout the entire supplier life cycle, including supplier onboarding, evaluation, and performance monitoring. Our objective is to establish best-practice case studies and develop robust solutions, paving the way for a comprehensive roll-out of low-carbon management across our supply chain.

- Engaged in extensive discussions with our core suppliers,** discussing the current landscape of emission reduction efforts and our shared goals. We have developed 4 comprehensive forms encompassing supplier climate change, conflict minerals access, and auditing procedures.
- 39 key suppliers have committed to our targets,** and 29 of them have successfully completed a pilot run of these forms.
- The positive outcomes of this project** not only support our compliance with customer audit requirements but also demonstrate its replicability.

Battery Passport Project

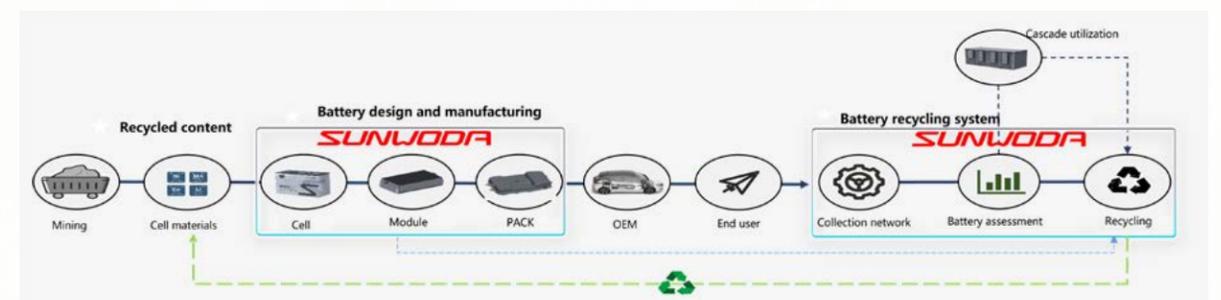


Battery Passport Details

As a member of the Global Battery Alliance (GBA), the company actively participates in the pilot work of the battery passport project. Leveraging its industry advantages, the company promotes the construction of a digital platform for battery passports, integrating digital technologies such as blockchain, the Internet of Things, and artificial intelligence to achieve end-to-end monitoring and comprehensive industrial management services across the industry chain. Furthermore, it combines carbon methodologies to track and manage carbon emissions, addressing issues such as traceability and safety supervision in the industry chain and carbon emissions, and enhancing the transparency to the global battery value chain.

Circular Economy

The company promotes comprehensive utilization of resource recycling. It proactively incorporates recycling principles into the battery design phase, while also establishing a battery recycling framework. This includes the establishment of an intelligent recycling system for retired batteries, implementing a cascade utilization approach for power batteries, and fostering the standardized evolution of the battery recycling industry.

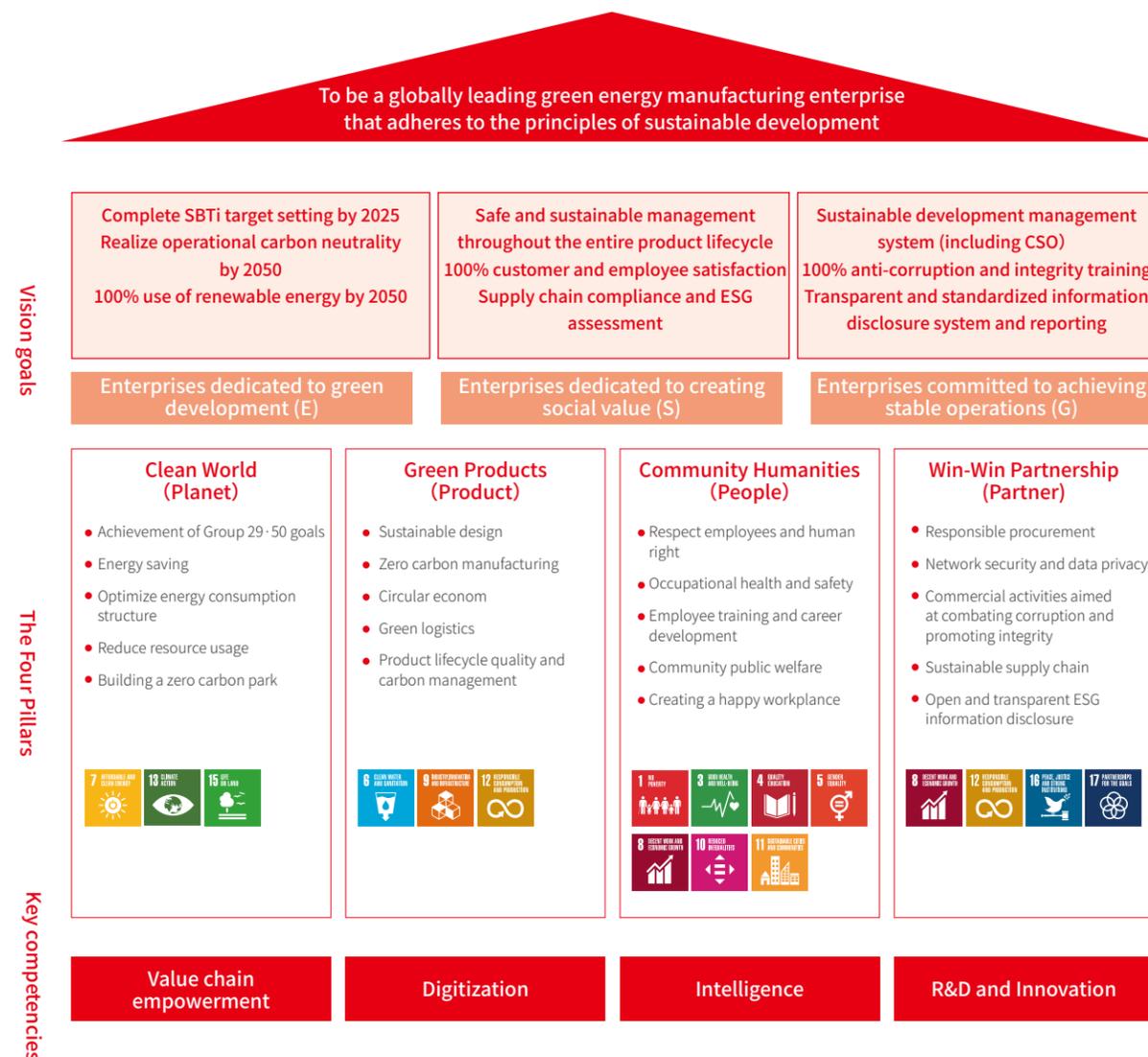


ESG Strategy and Management

While adhering to the societal responsibility principle of "upholding honesty, integrity, self-discipline, and a human-centered approach, fulfilling our social duties, safeguarding the rights and interests of employees, and fostering harmonious growth among the company, its employees, and society," Sunwoda integrates ESG management seamlessly into the operational fabric and developmental trajectory of the organization. We continually enhance our commitment to sustainable development strategies, consolidate ESG practices, and thereby establish a robust foundation for the company's long-term prosperity.

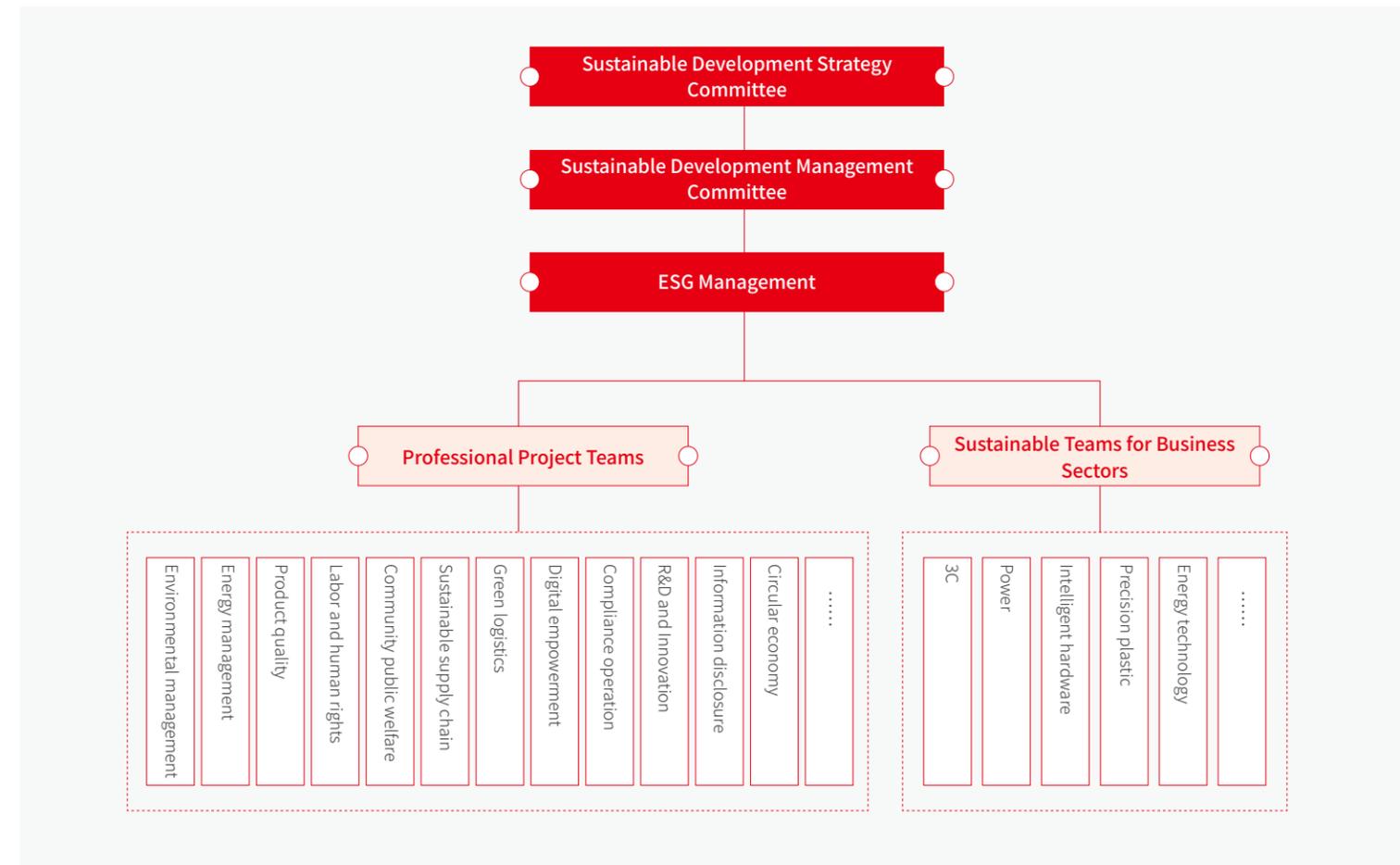
/ ESG Management

ESG Development Strategy



ESG Management Structure

To gain a profound understanding of policy shifts, better satisfy customers' demands, and excel in fulfilling social responsibilities, the company undertook a series of strategic measures in the reporting period. We optimized the management structure by establishing a Sustainable Development Strategy Committee, a Sustainable Development Management Committee. These committees were supported by project teams and sustainable teams tailored for different business sectors. The Sustainable Development Strategy Committee, chaired by the Board of Directors, comprised company executives who were jointly accountable for shaping the ESG development strategy, policies, and overall work direction. The Sustainable Development Management Committee executed the decisions made by the Strategy Committee, overseeing and urging workgroups to take tangible actions in implementing ESG matters. Furthermore, the company conducted internal training sessions, organized activities, and promoted a positive and sustainable cultural philosophy to foster a deeper commitment to sustainability among its employees.



ESG Management Mechanism

Sunwoda annually engages in material issue assessments, collaborating with both internal and external stakeholders, to identify ESG-related risks and opportunities, as well as their potential implications on the business and its stakeholders. These assessments serve as a compass, guiding the company in setting development goals. Aligning with industry-recognized system standards such as SA 8000, RBA Code of Conduct, ISO 14001, and ISO 45001, the company has established an ESG management system tailored to its unique management practices. This includes the formulation of a *Social Responsibility Manual*, outlining key management indicators and targets. Departments and business units are responsible for setting their own indicators and executing tasks accordingly, incorporating them into performance metrics when applicable. With the collective support of the entire organization, the company ensures effective management of ESG risks.

ESG Collaboration

Drawing on its extensive experience in ESG practices and its leadership role in carbon neutrality efforts, Sunwoda actively collaborates with government bodies, enterprises, industry associations, and other partners to discuss and drive ESG innovations. It contributes its "Sunwoda" strength to the green and low-carbon transformation of the industry, fostering positive social influence and collective progress.



Sunwoda has joined the Global Battery Alliance (GBA) and is committed to actively taking action in battery passports, traceability systems, ESG, and other areas.



Sunwoda joined the United Nations Global Compact (UNGC) and pledged to support the organization's ten principles in the areas of human rights, labor, environment, and anti-corruption.



As a demonstration enterprise for green and low-carbon applications in Shenzhen, Sunwoda participated in the COP28 Shenzhen special dialogue and shared its experience and achievements in carbon reduction.



Forbes China Sustainability Summit



Signed a MOU on Sustainable Development with Siemens



Volvo Asia Pacific Core Supplier Forum



/ Management of Material Issues

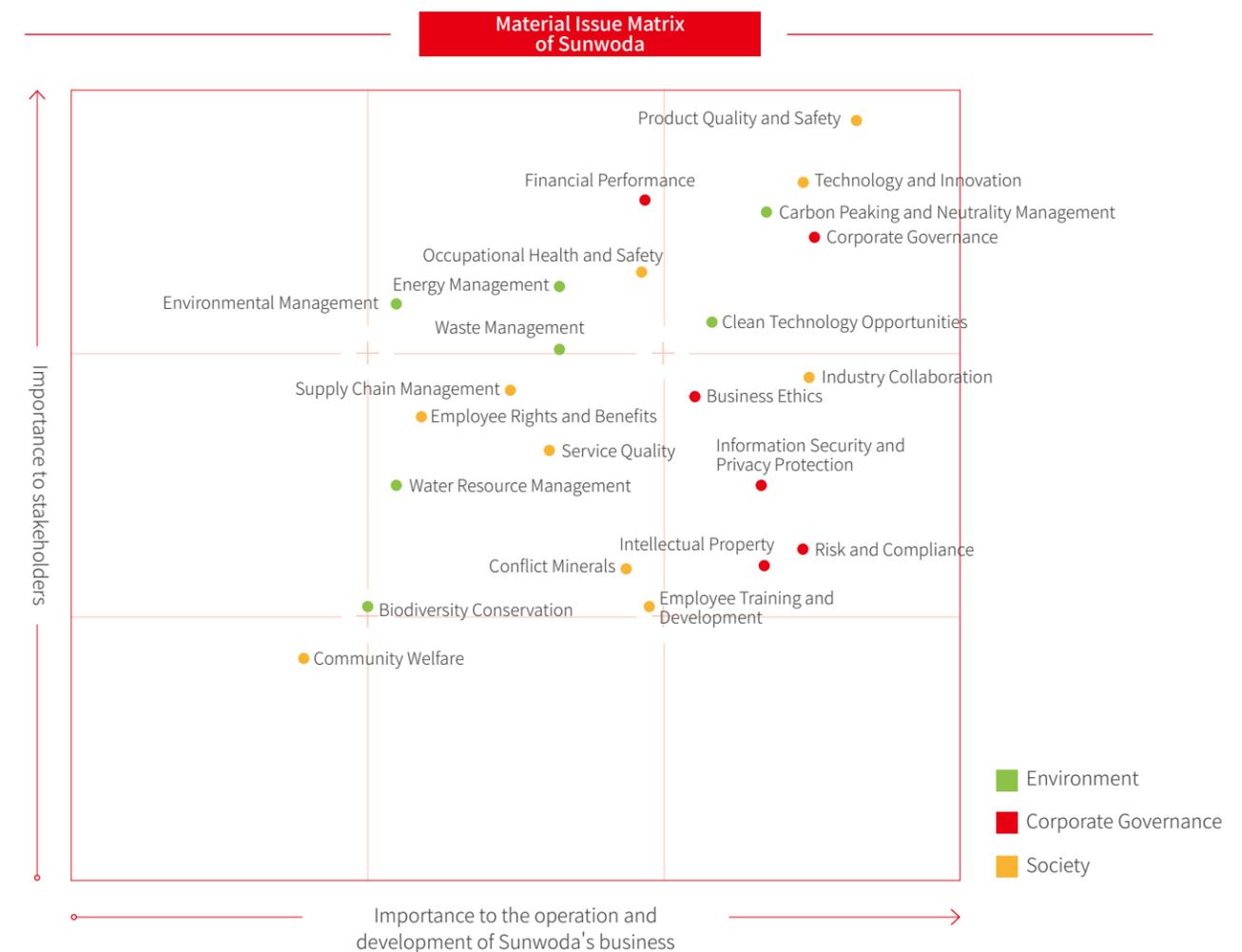
Stakeholder communication

Sunwoda attaches great importance to the impact of its operations on stakeholders. We diligently identify the material issues and establish smooth communication avenues to address the concerns, evolving demands and expectations of all stakeholders. This approach enables Sunwoda to continually enhance its sustainability performance. The Company actively generates economic, social, and environmental value for all the stakeholders, including governments, consumers, employees, shareholders, and industry collaborators, thereby making contributions to sustainable development.

Stakeholder	Issues	Communication and Response
Governments and Regulators	<ul style="list-style-type: none"> Compliance operation Anti-corruption management Economic performance Energy and greenhouse gas management 	<ul style="list-style-type: none"> Institutional investigation Official correspondence Policy implementation Information disclosure
Shareholders and investors	<ul style="list-style-type: none"> Economic performance Corporate governance Technology and innovation Industrial cooperation 	<ul style="list-style-type: none"> General Meeting of Shareholders Information disclosure Roadshows
Customers	<ul style="list-style-type: none"> Product quality and safety Technology and innovation Conflict minerals Clean technology opportunities Information security and privacy protection 	<ul style="list-style-type: none"> Quality management system Customer service system Satisfaction survey Information security management system
Employees	<ul style="list-style-type: none"> Employees' rights & interests and benefits Occupational Health and Safety Employee training and development 	<ul style="list-style-type: none"> Internal communication platform Trade unions and workers' congresses Employee appraisal and promotion Employee training
Suppliers	<ul style="list-style-type: none"> Supply chain management Conflict minerals 	<ul style="list-style-type: none"> Supplier management system Supplier evaluation Supplier exchanges and training
Partners	<ul style="list-style-type: none"> Industrial cooperation R&D and Innovation 	<ul style="list-style-type: none"> Industrial forums Communication and visits
Public and community	<ul style="list-style-type: none"> Product quality and safety Technology and innovation Community charity Rural revitalization 	<ul style="list-style-type: none"> Communication and visits Information disclosure Community activities Public welfare actions Volunteer services

Analysis of Material Issues

In order to continually enhance our ESG management capabilities, Sunwoda has undertaken a comprehensive analysis of material topics that significantly impact the Company and its stakeholders. Guided by national macro policies, the study of domestic and international social responsibility standards, stakeholder surveys, and the Company's own development strategy, Sunwoda has established a comprehensive library of material topics. At the commencement of 2023, Sunwoda completed an assessment of the most recent material topics, confirming the validity of the identified topics. This report provides continuous updates on the actions taken and results achieved in addressing these relevant issues.



Contribution to United Nations Sustainable Development Goals (SDGs)

Sunwoda fully considers the correlation between SDGs and the Company's ESG management practices and actively responds to SDGs by leveraging its resources and capabilities. The following table provides an overview of the company's direct and indirect efforts in supporting the SDGs. For details, please refer to the relevant chapters of this report.

During the reporting period, Sunwoda has joined the United Nations Global Compact (UNGC), signifying its dedication to uphold the ten principles outlined by the initiative. Sunwoda remains committed to continuously enhancing its strategic frameworks and operational norms to align with these principles, thus fulfilling its fundamental obligations in the market with respect to human rights, labor standards, environmental protection, and anti-corruption efforts.



Rural Revitalization

- Actively responding to the strategic deployment of the national and local government departments on rural revitalization, launching the "Rural Elderly Care Program" and the "Cultivating and Reading Garden" project in Hongyuan Village, Houmen Town, to support rural revitalization and consolidate the achievements of poverty alleviation.

Occupational Health Protection Social Charity

- Emphasizing the protection of employees' health and achieved 100% employee health checkups.
- Launching various assistance programs such as the "Sunshine Protection Program", the "Tongxinyuan Children's Care Space Project," and the "Xin Fangzhou Children's Transplantation Assistance Program" to provide support in areas such as caring for sick children, family assistance, and medical assistance.

Social Charity

- Establishment of the "Sunwoda Future Education Assistance Program" - the "Dream Builder and Sailor" Sunwoda Scholarship Program to foster the growth of the education sector.

Employees' Rights and Interests

- Equal employment, prohibiting any restrictions on the rights and interests of female employees in labor or employment contracts, as well as any discrimination against them in salary adjustments and job promotions. The proportion of female employees stands at 31.46%.

Pollution Prevention and Control Water Resource

- The Huizhou Boluo Integrated Park has achieved the standard for reusing urban sewage as industrial water through the implementation of deep treatment on its production wastewater, resulting in an annual water savings of 15,755 tons.
- Promoting water conservation and carrying out save-saving projects in accordance with the PDCA principle.

Energy Management Clean Technology and Green Products

- Aiming to achieve 100% renewable energy utilization by 2050 and actively expanding its photovoltaic power generation footprint.
- Clean technology innovation is regarded as one of our core strategies, driving our efforts in energy storage and R&D.



- Implementation of anti-corruption practices in all business activities from internal management to external cooperation, and prohibition of any form of corruption, bribery, abuse of power, favoritism, and malpractice.
- Promoting a clean and honest corporate culture and enhancing the integrity awareness of all employees through various activities, and creating a sound working environment.

Business Ethics Annual Theme Carbon Neutrality Management

- Obtaining ISO 14064 system certification and conducting annual greenhouse gas inventories and carbon audits.
- Joining the Science Based Targets initiative (SBTi).
- 3 of our subsidiaries have been certified by the PAS 2060 standard for carbon neutrality.
- Launching low-carbon projects in our supply chain.

Annual Theme Pollution Prevention and Control Green Culture

- Promoting the digitization platform for battery passports and circular economy construction.
- Strengthening the sustainable management of natural resources and hazardous chemicals, and reducing pollutant emissions.
- Organizing green and low-carbon activities to promote employees' awareness of low-carbon issues and understanding of carbon peaking and carbon neutrality goals.

Pollution Prevention and Control Rural Revitalization

- 100% compliant disposal of pollutants throughout the year, without any environmental accidents.
- Launching the "Farming and Reading Garden" project in Hongyuan Village, Houmen Town.

Employees' Rights and Interests

- Prohibition of all discrimination based on race, color, religious belief, gender, age and place of origin adhering to the principle of "fairness and justice".
- Employed 5,275 ethnic minority employees.

Innovation-driven Development

- R&D Investment reached RMB 2.711 billion.
- Establishment of a diversified and open R&D model, maintaining efficient and stable cooperation with upstream and downstream partners, research institutions, etc., to steadily promote research projects.

Employees' Rights and Interests

- In 2023, the Company achieved a revenue of RMB 47.862 billion and the net profit attributable to shareholders of the Company was RMB 1,076 million, a YoY increase of 0.77%.
- We comply with locally applicable labor standards, offering 5,497 new job opportunities, recruiting over 2,700 fresh graduates, and 228 employees from poverty alleviation programs. Local talents and suppliers are preferred in employment and procurement.



Corporate Governance

With the vision of "To become a respected world-class new energy enterprise", Sunwoda has established a governance framework that ensures clarity in rights and responsibilities, continuously improved compliance management, strictly adhered to business ethics, and prioritized stable operations. We remain committed to safeguarding the long-term interests of our shareholders and creating optimal value for all stakeholders.

- Corporate Governance
- Risks and Compliance Management
- Business Ethics
- Fair Competition
- Information Security
- Digital Construction

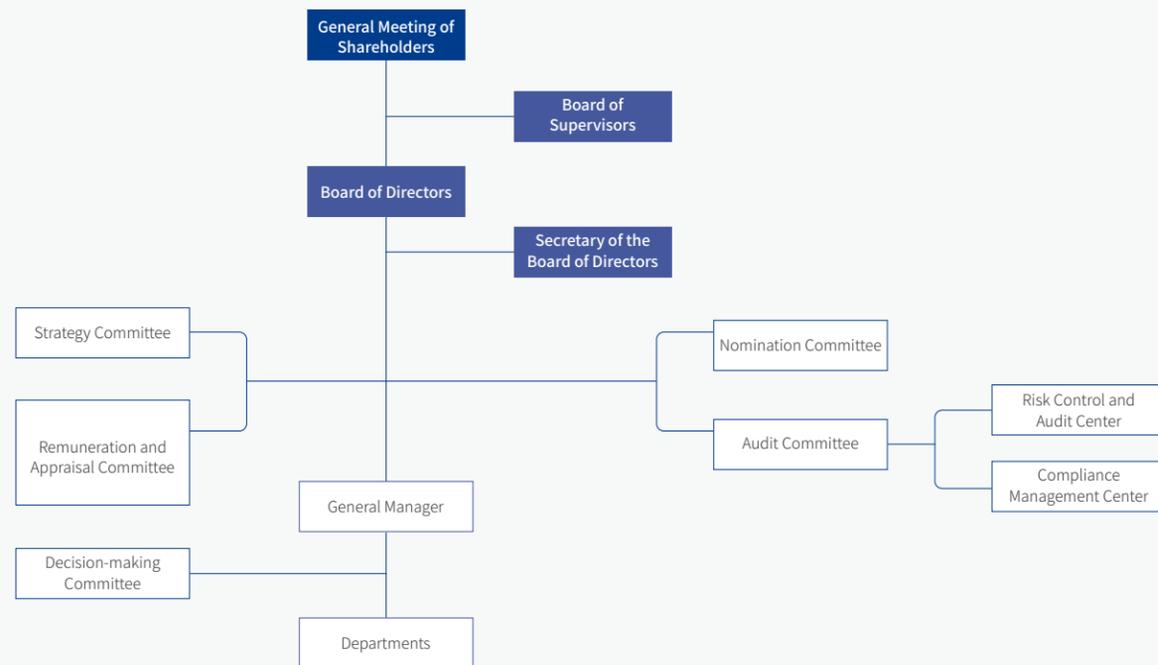
Contribution to SDGs



- Sunwoda's information disclosure has been rated as **A**-level by the Shenzhen Stock Exchange for seven consecutive years.
- Excellent Practice Case of the China Association for Public Companies in 2022
- Passed the fourth level review of Intelligent Manufacturing Maturity
- Selected as a "Digital Leader" enterprise by the Ministry of Industry and Information Technology of China

Corporate Governance

Since its establishment, the Company has adhered strictly to the laws, regulations, and requirements applicable to listed companies. In line with the Company's operations, we have continually optimized our corporate governance structure and taken rigorous measures to enhance governance practices. The governance structure, encompassing the General Meeting of Shareholders, the Board of Directors and specialized committees, the Board of Supervisors, and the management led by the General Manager, ensures a clear division of responsibilities, seamless coordination, and efficient operation. Each functional level operates in strict accordance with the *Articles of Association* and rules of procedure and work, effectively fulfilling their respective duties and obligations, and safeguarding the interests of all shareholders.



The Governance Structure of Sunwoda

/ Directors and the Board of Directors

The Board of Directors of the company consists of seven directors, including three independent directors, adhering to pertinent laws, regulations, and the provisions of the *Articles of Association*. The election or replacement of directors is conducted by the General Meeting of Shareholders, and directors may be dismissed from their positions prior to the expiration of the term. Each director serves a three-year term and is eligible for reelection and reappointment upon completion of their term. For detailed information on the members of the Board of Directors, please refer to the 2023 annual report.

The Company strictly follows the *Articles of Association* to ensure that directors are elected in an open, fair, and independent manner. The Board of Directors appoints directors based on their competence and is committed to selecting the best candidates in the diverse principle in gender, ethnic group, region, culture, and experience. The Company firmly believes that a diverse board will contribute to the enhancement of the Company's performance and is instrumental in achieving our strategic goals in sustainable development. Currently, the Company's seven directors possess extensive experience in management, accounting, and law.

The company has four specialized committees: namely the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Nomination Committee. The membership of these committees is exclusively comprised of directors. Notably, the Strategy Committee is chaired by the Chairman of the Board of Directors, whereas the other committees are presided over by independent directors. Furthermore, the proportion of independent directors within these other specialized committees stands at two-thirds, ensuring that the Board of Directors receives scientific and professional advice and guidance for its decision-making processes.

All directors are diligent and responsible. During the reporting period

Meeting of the Board of Directors	Meeting of the Remuneration and Appraisal Committee	Meeting of the Strategy Committee
14	5	6
Meeting of the Nomination Committee	Meeting of the Audit Committee	Attendance rate for directors
2	14	100 %

/ Investors' Rights and Interests Protection

Information Disclosure

Sunwoda adheres strictly to pertinent laws and regulations, incorporating actual operational context to formulate the *Management Regulations on Information Disclosure of Sunwoda*, to comply with insider trading rules and standardize the company's information disclosure practices. During the reporting period, the company conducted a thorough evaluation and enhancement of corporate governance matters, enhancing group-level oversight and control, elevating the standards and quality of information disclosure and safeguarding the rights and interests of investors. Consequently, Sunwoda has been awarded an A-level rating for information disclosure by the Shenzhen Stock Exchange for seven consecutive years, reflecting its commitment to transparency and accountability.

Investor Relations Management

To promote and refine its governance structure and standardize the management of investor relations, the Company has formulated the *Management Regulations on Investor Relations*, in alignment with relevant laws and regulations, and tailored to its specific operational context. In managing investor relations, the Company adheres to the principles of fairness, impartiality, and openness, emphasizing full and compliant disclosure of information, equal opportunities for investors, honesty and trustworthiness, efficient and cost-effective operations, as well as interactive communication. Through various channels and levels of engagement, the Company communicates objectively, truthfully, accurately, and comprehensively, reflecting its actual conditions, thereby enhancing investors' understanding and recognition of the company. This approach effectively safeguards investors' right to know, particularly that of small and medium-sized investors. In recognition of these efforts, the company was awarded multiple honors in 2023, including the 2022 Excellent Practice Case by the China Association for Public Companies and the Best Listed Company Award from New Fortune.

Investor Communication Channels

	Institutional Investors	Small and Medium Investors
General Meeting of Shareholders	✓	✓
Periodic and Interim Announcements	✓	✓
Earning Release Meeting	✓	✓
Investor Hotline		✓
Q&A via irm.cninfo.com.cn		✓
Investor Research	✓	
Roadshow	✓	

Risk and Compliance Management

Sunwoda firmly adheres to the principle of "compliant operation, law-abiding, and integrity to generate value". We manage our enterprise in strict accordance with laws and regulations, striving to create sustainable value. We maintain unwavering commitment to compliance with all applicable laws and regulations in our business locations, requiring every employee adhere to the Code of Conduct for Compliance, thus ensuring the company's stable and sustained development. *The Code of Conduct for Compliance*, which covers diverse topics including intellectual property, information security, anti-corruption, and anti-commercial bribery, is disclosed on our official website. Additionally, we provide consultation and reporting channels to communicate our unwavering commitment to upholding and practicing the core value of "honesty and integrity" to all sectors of society.

The company is committed to continuously enhancing the effectiveness of its compliance management practices. By referencing the requirements, guidelines, and best practices of both domestic and foreign compliance management systems, and taking into account its unique operational context, it has established a robust compliance management system grounded on four key pillars: organizational structure, institutional framework, operational mechanisms, and compliance culture development. During the reporting period, the company has further refined the comprehensiveness, practicality, and efficiency of its compliance management system, focusing on six critical dimensions: top-level tone, organizational capability, risk assessment, measures and tools, training and communication, and problem response.



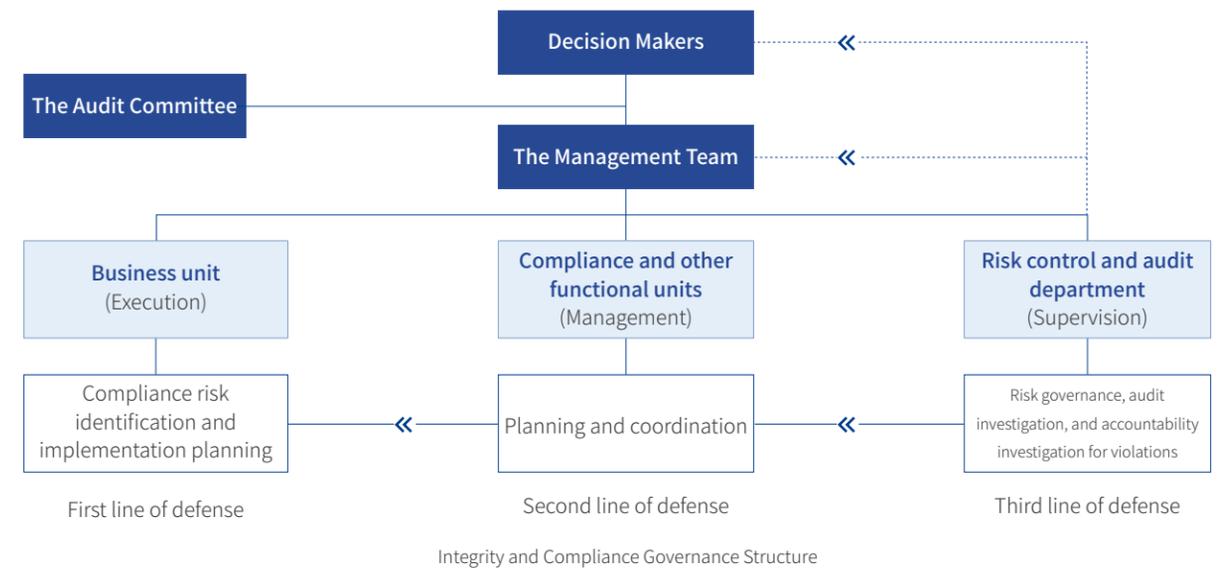
Poster of Compliance and Internal Control Self-Inspection

- Organizational Structure**
 - Sunwoda has established a three defense lines encompassing various business lines and subsidiaries, function unit, the compliance management department and the risk control and audit department. This structure assigns clear responsibilities, with the first tier taking primary responsibility, the second tier managing, and the third tier overseeing. This matrix of roles and collaborative working relationships ensures the seamless and effective operation of the compliance management system.
- System**
 - Sunwoda has developed an extensive suite of over 200 compliance management guidelines and processes. These cover diverse areas including legal and intellectual property management, compliance risk management, corporate governance, financial reporting, human resources and labor administration, information security, environmental protection, safety, import and export, as well as anti-corruption and fraud prevention.
- Operational Mechanism**
 - We identify compliance risks through interviews, questionnaires, and risk sorting. Based on the insights gained from these assessments, we formulate targeted improvement plans and establish institutional processes to support them. These management measures are seamlessly integrated into our business processes, effectively preventing and controlling any associated risks.
 - We prioritize the development of internal control and compliance expertise across all business departments. Annually, we conduct rigorous self-inspections and self-corrections to assess our departmental compliance and internal controls. When issues are uncovered during these inspections, we promptly issue rectification notices to the responsible departments, urging them to address the concerns and verifying the effectiveness of their rectification measures to ensure complete closure.
 - Leveraging the power of information technology, we monitor, alert, report, and handle risks in real-time, significantly enhancing our overall risk management capabilities.
- Compliance Culture**
 - We have established structural and normalized compliance training mechanisms, aiming to cultivate a compliance philosophy that emphasizes full compliance and proactive compliance among all employees.
 - We conduct regular training sessions tailored for management personnel, key positions, and new employees. These sessions aim to raise compliance awareness, educate employees on the company's compliance requirements, and familiarize them with feedback channels. During the reporting period, we have organized 28 compliance training sessions, covering nearly 1,300 employees.
 - Occasionally, we disseminate compliance-related information or cautionary cases through emails or our corporate WeChat account. This approach serves as a constant reminder and alert to employees. In the reporting period, we released 22 promotional micro-articles and published 3 compliance newsletters.

Business Ethics

The company upholds honesty, trustworthiness, fairness, and justice as its fundamental ethical standards. Apart from the *Code of Conduct for Compliance*, it has also formulated the *Management Regulations on Business Ethics* and the *Management Regulations on Integrity and Ethical Behaviors*, as guidelines for honest operations of all employees. Any improper behavior such as corruption, bribery, abuse of power, and favoritism is strictly prohibited.

The company's integrity and compliance management structure is composed of decision-making, management, execution, and supervision. The General Manager, the Chief Compliance Officer, and compliance management departments are primarily responsible for managing the company's business ethics and corruption issues. They organize the formulation and implementation of integrity and compliance rules and regulations, provide resource support for the achievement of the company's integrity and compliance goals and policies, and cooperate with various business departments to jointly promote the governance of integrity and compliance. The risk control and audit department, in accordance with the company's policies on business ethics and anti-corruption, develops annual internal audit plans tailored to the company's annual business objectives, carries out internal audits across business lines of the company, investigates and handles violations independently and impartially, and implements integrity and compliance supervision. The audit team reports to the Audit Committee under the Board of Directors quarterly, covering content including but not limited to the implementation of the internal audit plan and issues discovered during the internal audit, to ensure the implementation of the requirements for integrity and compliance governance.



During the reporting period, the company has comprehensively promoted integrity management by focusing on four key areas: organizational structure, system, operational mechanism, and cultural construction.



Integrity and Compliance Cultural Bazaar Check-in Activity



Integrity Advocacy at Supplier Conference



Organizational Structure

- We have established a dedicated investigation team, directly accountable to the Board of Directors, to oversee supervision, inspection, and accountability for any integrity violations. This ensures the team's complete independence within the governance structure.



System

- A special project was initiated to strengthen our integrity and compliance management system. Through various approaches, we have refined our risk inventory, developed improvement plans, and evaluated the effectiveness of our integrity and compliance designs in critical business areas. Consequently, we have newly established and improved five institutional regulations, providing robust support for adhering to laws, regulations, and ethical business practices.
- We have completed the establishment of integrity and compliance systems for various subsidiaries, including Power Technology, Liwinon, and Sunwinon Intelligence.



Operational Mechanism

- We summarized the integrity risks and corresponding measures existing in key areas, personnel, and positions.
- We have improved the reporting, investigation, and punishment mechanisms related to integrity issues of employees and suppliers.
- We implemented fraud clue monitoring and warning leveraging information technology.
- Integrity has been included as a critical veto indicator in the performance evaluation of all employees.
- We conducted special investigation and audit projects, on-site audit supervision of bidding and tendering, integrity interviews, and other measures to verify the integrity performance of suppliers during cooperation, in order to strengthen the company's integrity management requirements.

We adopted a top-down, all-staff covered, and multi-measure strategy to carry out integrity culture construction and create a clean and honest working atmosphere.

For all employees:

- This included establishing a regular training mechanism that covers all staff, with a focus on integrity training for management and key personnel. In the reporting period, 25 integrity training sessions were organized, involving nearly 4,000 employees, deepening their awareness of compliance.
- Occasionally publish integrity advocacy or cautionary cases through emails or enterprise WeChat account.
- We launched the Party Conduct and Integrity Education Month and the Integrity and Compliance Awareness Month activities.
- 18,000 employees participated in the annual self-inspection of integrity and honesty.

For suppliers:

- We proactively communicate the sunshine cooperation requirements through various channels, including supplier conferences, integrity interviews, and announcements on the SRM system. This ensures that suppliers are fully aware of our expectations and standards for ethical conduct. We closely monitor the integrity performance of our suppliers during the cooperation process. Penalties for corruption or fraud are determined based on the severity of the situation and in accordance with contract provisions.
- In the reporting period, the company has organized two supplier briefing conferences with over 350 suppliers participating, issued two integrity advocacy letters for festivals, and penalized over 30 suppliers for violations of our integrity policies.



Integrity Culture

Whistle-blowing Mechanism

The Company has formulated and released the *Management Regulations on Whistle-blowing Acceptance and Investigation*, the *Anti-fraud Management Regulations*, and the *Management Regulations on Whistle-blower Protection*, offers diverse reporting channels including email, telephone/We-Chat, and reporting platforms. Employees, suppliers, and related partners are encouraged and guided to utilize these channels to report any suspected corruption, bribery, or significant unethical practices anonymously or with real names through the official website, email, training, tweets, and posters.

Reporting channel:

- Email: jubao@sunwoda.com
- Phone: 0755-23053561 or 18126270617 (WeChat Account)
- Website: www.sunwoda.com/jubao
- Mailing address: Sunwoda Audit Department, No. 2, Yihe Road, Shilong Community, Shiyan Sub-district, Bao'an District, Shenzhen City

Report

- **Anonymous report**
Review the nature and severity of reported incidents assess the necessity of initiating an investigation.
- **Real-name report**
Initiate an investigation promptly.

Investigation and Handling

Investigate and address the reported matter within 10 working days from the day following the receipt of the report. For complex cases that require more extensive investigation, the handling duration may be extended to a maximum of 30 working days.

Result Notification

Issue an investigation and audit report and submit it to the Chairman for approval after the investigation is completed and notify the whistleblower of the investigation outcome to uphold their right to be informed and ensure transparency.

Whistleblowing handling procedure

Fair competition

Sunwoda firmly stands against any form of unfair competition, strictly adhering to pertinent laws and regulations such as the *Anti Monopoly Law* and the *Anti Unfair Competition Law*. We actively conduct internal training sessions on anti-unfair competition to educate our employees on maintaining high ethical and professional standards. This ensures that we uphold the principles of fairness and integrity in our business practices, thereby preserving the orderly and fair competitive landscape within the industry.

Information Security

Adhering to the network environment security and information security management concept of "improving information security awareness, implementing information security control, reducing information security risks, and ensuring business continuity and stability", Sunwoda has set up an information security management structure to promote the construction of a management system, a technical system, and a data security protection system. The Company has established the Information Security Organization Committee, which is led by the Chairman and serves as its highest decision-making body. To ensure seamless and accountable security practices, the company has reorganized its security organizations across all business departments, subsidiaries, and branches, aligning them with the five major sectors and eight major businesses of the group. This structured approach has enabled Sunwoda to implement information security management more effectively, safeguarding the operation of all its business operations. The company has obtained ISO27001 and German TISAX certification, and the information security management carrier computer room has passed the national level three evaluation. Through the maturity assessment of intelligent manufacturing capabilities, the network and information security modules have successfully passed the fourth level assessment.

In 2023, the company has formulated a five-year plan for information security, which will mainly focus on four aspects, namely, deepening the management system, optimizing the security organization, ensuring the safety technology, and supervising the safety operation. This will achieve the long-term goal of preventing information leakage internally and attacks externally, and escorting the digital construction and development of the company.

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

In addition, the company continuously carries out information security audits. Internal audits are conducted annually, covering 100% of the production bases with stable operation in the battery production segment. External audits are conducted regularly by professional third parties authorized by the company, including conducting information security management sampling audits for all production bases with stable operation in the battery production segment at least once a year, and conducting complete audits for all bases once every three years. In the reporting period, the company proactively cooperated with customers to conduct six audits related to network and information security, and data security to ensure that the management of network and information security, and data security meets the requirements of customers. No information security accidents occurred.

During the reporting period

Training sessions

4

Covering employees

16,293

Graphic and text tweets

9

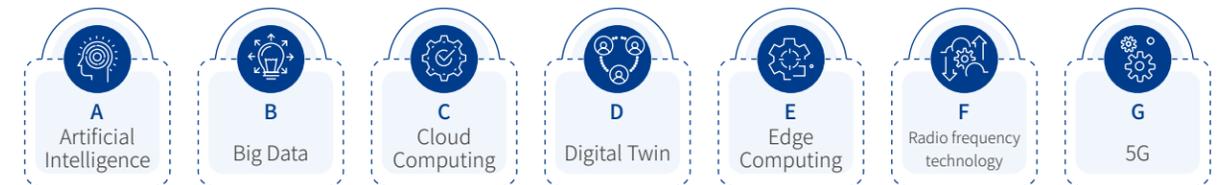
with views

33,622

Digital Construction

/ Intelligent Manufacturing

In alignment with the standards and guidelines set forth by the Ministry of Industry and Information Technology of China's *Smart Manufacturing Demonstration Factory and the national standard Smart Manufacturing Capability Maturity Model (GB/T 39116-2020)*, the company has formed a comprehensive, secure, replicable, and scalable technical architecture. The functional hierarchy of our smart manufacturing system encompasses four crucial layers: equipment, edge, digital mid-platform, and application front desk. Leveraging four core mid-platforms, namely technology, business, data, and AI, we have developed smart manufacturing industrial software suites tailored for internal production cycles, along with intelligent service software packages for external production, supply, and sales cycles. These comprehensive packages cater to the entire spectrum of needs for a typical industrial production enterprise, encompassing supply, sales, R&D, production, operation, and maintenance. Furthermore, they possess the capability to provide cross-industry, whole-factory-level solutions, effectively reducing costs, inventories, and enhancing quality and efficiency. Drawing from over two decades of extensive manufacturing expertise, our company has identified and consolidated seven pivotal smart manufacturing technologies of ABCDEFG. Leveraging this know-how, we have formulated an advanced extreme manufacturing system architecture and constructed an industrial and information integration ecological platform. At the heart of this platform lies our smart manufacturing core, which fosters deep interactions between multiple platforms and systems. This integrated approach ensures the effective realization of our smart manufacturing objectives.



Relying on the eight core technologies of "Internet + Internet of Things + Big Data + Cloud Computing + AR/VR + AI + Digital Twin + Blockchain", Sunwoda combines its own characteristics and years of application practice to build a unique digital value chain system, forming an end-to-end system integrated with intelligent production chain, intelligent research and development chain, and intelligent supply chain, which supports the construction of a world-class intelligent factory with intelligence and advancement.





Supply Chain

- Digital/intelligent upgrading of the supply chain
- By building an integrated supply chain platform, CRM and SRM enable external upstream and downstream collaboration, promptly predicting customer order and accurately transmitting suppliers' material requirements to suppliers. Internal collaboration transforms demand plans into production plans, material plans, and ordering plans through the APS supply chain hub system.
- Based on the blockchain platform, the independently developed Dianlian industrial internet platform achieves information collaboration among suppliers of key components in terms of production, logistics, inventory, and purchase orders.



Production Chain

- MES system improving on-site management
- It achieves comprehensive integration and collaborative management of elements such as planning, site, logistics, quality, equipment, and resources, with interconnection and interoperability among "human-machine-material-method-environment", enabling full traceability of the product throughout the process.

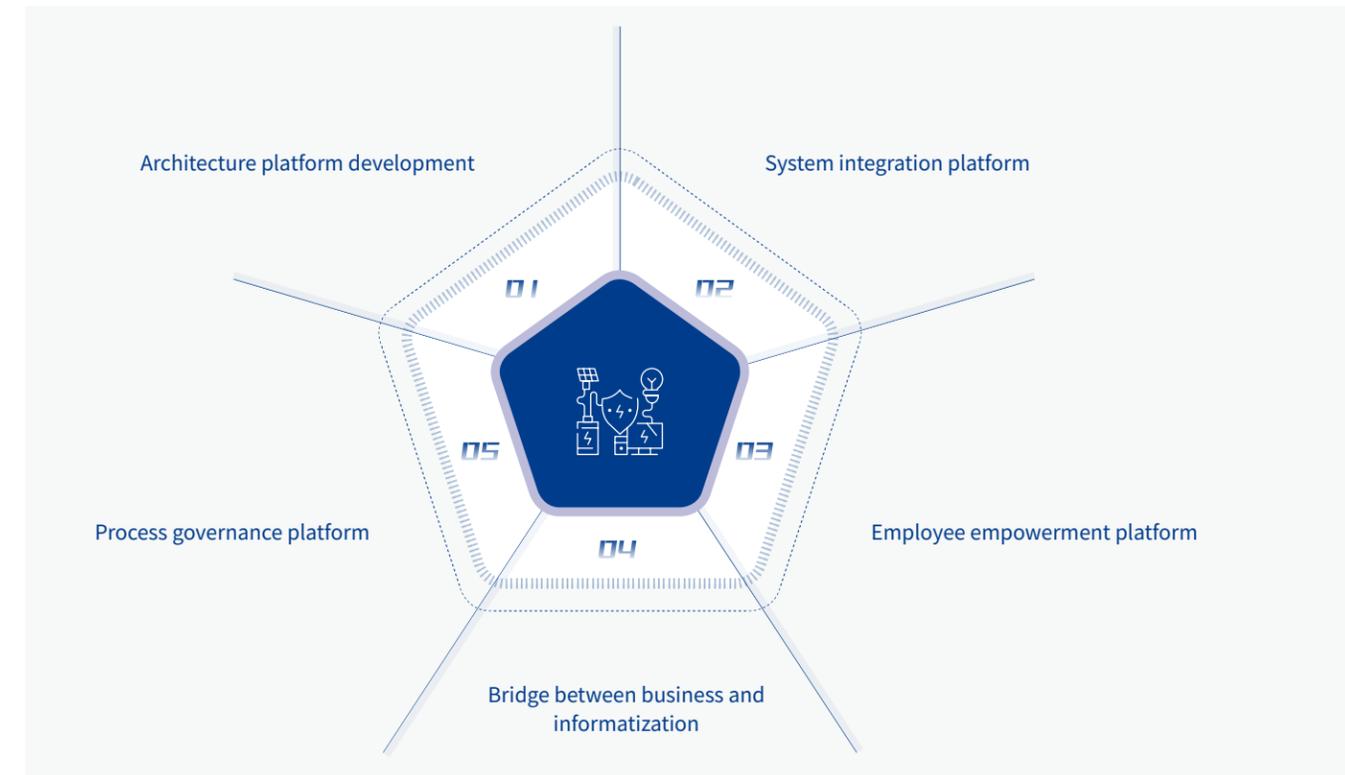


R&D Chain

- The upgrade of the ExtechPlm system was completed.
- We executed the development and promotion of the R&D project management system based on the PLM system. The PLM system can help the company improve product development efficiency, optimize product design quality, reduce product development costs, strengthen internal collaboration, improve customer satisfaction, and support data analysis and decision-making.
- The development and application of the process management module was finalized, enabling seamless integration and management of R&D processes.

/ Process Digital Transformation

During the reporting period, the company initiated the construction of the EPROS platform, which realizes the implementation of processes through unified planning, management, approval, monitoring, and optimization of the entire life-cycle of processes, as well as the integration of process management and risk management. Phase 1 has been launched and used in some functional departments.



Construction of the EPROS Process Management Platform

During the reporting period

As the first enterprise in the new energy industry, passed the **level four assessment of intelligent manufacturing maturity**. Awarded the honorary title of Digital Pilot Enterprise by the Ministry of Industry and Information Technology of China.



Maturity Level 4 Certificate for Manufacturing Capability



Collaboration and Mutual Benefit

With the corporate mission of "Innovation drives the progress of new energy world", Sunwoda has continuously increased its investment in scientific and technological R&D in the field of green and clean technology. Clean technology innovation stands as a pivotal strategy in Sunwoda's quest for sustainable business growth. This commitment is manifested in the enhancement of product quality, the provision of customer-satisfying services, the establishment of transparent and mutually beneficial procurement relationships, and the proactive facilitation of upstream and downstream industrial chain development.

- R&D and Innovation
- Product Quality and Safety
- Customer Service
- Sustainable Supply Chain

Contribution to SDGs

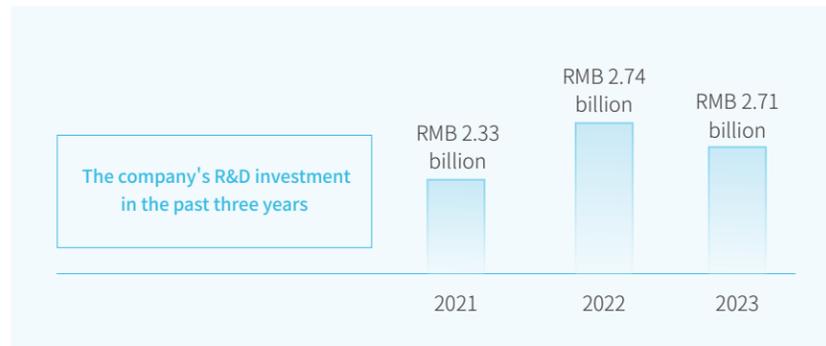


- R&D investment reached RMB **2.711** billion
- The number of newly authorized patents reached **1,399**
- **Zero** product recall incidents
- The ratio of qualified smelters reached **100%**

R&D and Innovation

/ Innovation-driven Development

While continuously emphasizing and fortifying the establishment of its innovation system, Sunwoda aligns its R&D direction with business development and progressively increases R&D investment. This approach aims to foster a corporate culture of innovation and encourage collaborative innovation. With a total workforce of 8,442 employees, including 1,316 holding master's degrees and 117 holding doctorates, Sunwoda's R&D team is organized into six dedicated teams: the 3C battery research team, the power battery core and system research institute, the intelligent hardware research institute, the energy storage research institute, and the intelligent manufacturing research team. This structure ensures sustainable product innovation across various fronts.



• 3C battery R&D team

Research and develop batteries for 3C products including mobile phones, laptops, electric tools and mobile power supplies.

• Power cell and battery system research institute

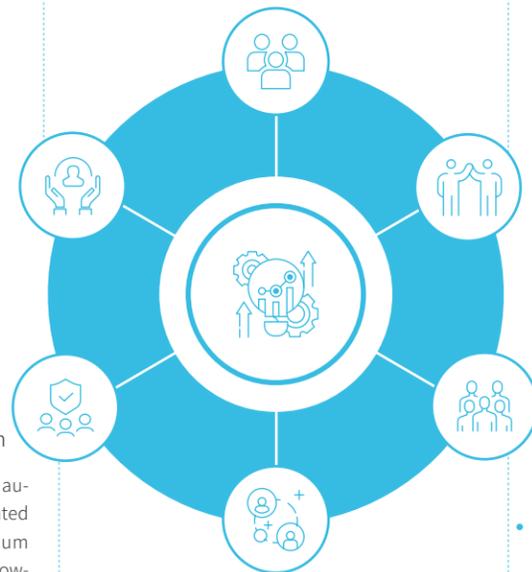
Provide EV battery pack solutions for global new EV manufacturers on the strength of advanced lithium battery integration technologies. Products provided include: power cells, power battery modules, battery management systems (BMSs), and power battery systems.

• Intelligent hardware research institute

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

• Energy storage research institute

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



• Energy Technology Battery R&D Team

Mainly engaged in the development of intelligent transportation batteries and control systems, small power batteries and power battery systems, small energy storage batteries and energy storage systems, power management systems and software, as well as smart terminal products such as electric bicycle batteries, electric scooter batteries, motorcycle batteries, wireless earphone batteries, sweeping robot batteries, smartwatch batteries, drone batteries, speaker batteries, mobile power supplies, etc.

• Intelligent manufacturing R&D team

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

R&D Motivation

To consistently fuel R&D efforts and spark creativity among its employees, the Company leverages innovative motivating systems, including *the Management Regulations on Innovation* and *the Management Regulations on Technical Innovation Rewards*. Sunwoda establishes various awards, including Patent Expert, Technology Star, Improvement Award, and Innovation Award, to commend and celebrate individuals and teams who have demonstrated remarkable achievements in their work throughout the year. This approach encourages and motivates employees to harness their creativity, enhancing the Company's independent innovation capability and promoting the progress of science and technology, which is jointly propelled by technical management and innovation. To further encourage employees to exercise their imagination and creativity in their daily work, Sunwoda organized the "Boundary-breaking Innovation, New Future" 2023 Technology and Management Innovation Competition. This competition evaluated the submitted cases based on criteria such as cost-effectiveness, originality, promotional value, and implementation difficulty, and awarded prizes and bonuses of varying levels. This initiative aimed to cultivate an innovative culture, guiding and promoting technical and management innovation throughout the organization.

Establish a product strategy

We clarify the Company's core products, primary areas of operation, core technologies, outline the strategic vision, formulate strategic plans, and align them with our overall business objectives. Additionally, we examine our business models, devise strategies for product and market expansion, and ultimately craft a product line business plan to ensure that we are equipped to meet the market demands of our Power Battery Core and System Research Institute.

Optimize product development

We execute comprehensive activities that encompass market analysis, technological advancements, process structuring, rigorous testing, production efficiency, and procurement strategies. This endeavor shall be steered by the whole-process management planning of product development and managed through six distinct stages: concept formulation, planning, development, verification, release, and lifecycle management. To mitigate development risks and achieve timely resource integration, we undertake investments and conduct evaluations at four critical decision-making review points and six technical review checkpoints throughout the process. This approach ensures the accurate and rapid development of new products, tailored to market demands and leveraging shared platforms, while maintaining low costs and high-quality standards.

Matrix-typed project management

It's a cross-functional team from diverse departments, encompassing R&D, marketing, finance, procurement, production, and quality assurance. Each department is represented by its own team member, fostering a collaborative effort across all disciplines to jointly achieve the objectives of the product development projects.



Case

Achieving Domestic Manufacturing of Silicon-Carbon Materials

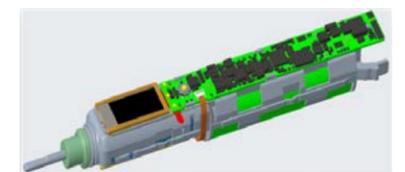
Prior to our efforts, the market for silicon-carbon materials was dominated by overseas suppliers, leading to challenges such as constrained supply, protracted procurement cycles, and unpredictable on-demand supply. Our company has successfully overcome the hurdles in the preparation and application of deposition-type silicon-carbon material cells, ensuring that their performance reaches the globally renowned technological standards. Furthermore, our domestically developed G1 silicon-carbon material has shattered the foreign monopoly, stabilizing the supply chain and production process. This has also resulted in significant cost reductions. Our ongoing research on the domestic G2 silicon-carbon material promises international competitiveness. This advanced material will be initially utilized in high-capacity silicon-carbon system cells with a capacity of 450Ah.



Case

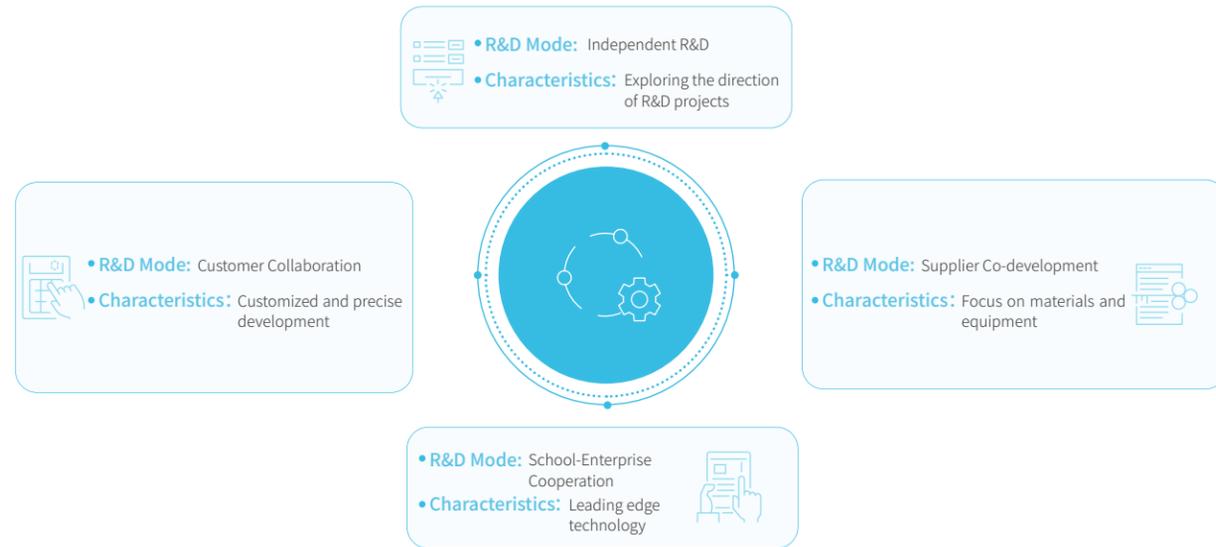
User-Friendly Design

Our company has established a tailored development process and hierarchical decision-making framework specifically aligned with the technical domain of intelligent hardware products. This ensures rigorous control over the design feasibility throughout the project implementation process, with a focus on achieving universal applicability, manufacturability, and enhanced user-friendliness in our offerings. Taking the electric toothbrush as an example, the Company fully understands user needs during the design of hardware and system functions to improve user experience. The structure uses safe and environmentally friendly materials, and the handshake size is optimized through simulated use tests, taking into account the usage habits of different groups of people.



Open Innovation

In 2023, Sunwoda centered its efforts on promoting low carbonization, electrification, and intelligence. We kept a keen eye on the 10 trillion-scale industries spurred by the new energy revolution, including new energy vehicles, batteries and energy storage, green hydrogen energy, the next-generation information industry, vehicle-grid interaction, and distributed photovoltaics. With the aim of fully bolstering our technological innovation prowess and realizing our long-term development goals, we established a diversified and open R&D framework. This allowed us to forge efficient and stable collaborations with upstream and downstream partners, scientific research institutions, and other partners, leading to noteworthy progress in our research projects. By the end of the reporting period, several projects had yielded tangible results and achieved independent operation.



For industry-university-research cooperation, Sunwoda introduced and enhanced an innovative concept in early 2021, encompassing six key dimensions: cutting-edge technology exchanges, shared R&D resources, collaborative technical projects, government project applications, joint talent cultivation, and commercialization of scientific outcomes. By the end of the reporting period, our company had forged collaborations with numerous prestigious universities and research institutions, including Peking University Shenzhen International Graduate School, Tsinghua University Shenzhen International Graduate School, Beijing Institute of Technology, Sun Yat-sen University, South China University of Technology, Dalian University of Technology, Tongji University, Beijing Jiaotong University, Central South University, and Songshan Lake Materials Laboratory. These collaborations span diverse fields like lithium-ion battery technology and battery materials, thereby propelling the high-quality development of the industry with cutting-edge technologies and enabling our company to grow stronger on the foundation of robust R&D capabilities.

Since the establishment of our postdoctoral scientific research workstation in 2013, we have collaborated with various universities, including Tsinghua University, South China University of Technology, University of Science and Technology of China, and Dalian University of Technology. Through these partnerships, we have jointly nurtured postdoctoral talents specializing in diverse fields such as materials science, physical chemistry, electrical engineering, safety engineering, and mechanics. As of the end of the reporting period, we have successfully recruited and developed 124 postdoctoral talents, comprising 4 Shenzhen Reserve Talents and 25 Overseas High-level Talents. Notably, 71 have completed their development program and have been out of post-doctoral stations and achieved noteworthy accomplishments.



Case Guest Appearance on CCTV's Dialogue Program to Explore Navigating the "Valley of Death" in the Transition of Scientific and Technological Achievements to Industrialization

The "Valley of Death" refers to the process of converting scientific research achievements into industrialized commodities. How to transform laboratory samples into products and finally achieve large-scale production of commodities is a relay race. Liang Rui, the Vice President of the Company, along with the Songshan Lake Materials Laboratory of the Chinese Academy of Sciences were invited to CCTV's Dialogue program to discuss the challenges and opportunities of transforming scientific and technological achievements in the field of materials, as well as how to achieve mutual promotion through innovative cooperation models between scientists and enterprises, and to build an iron bridge across the "Valley of Death", enabling the seamless transition of scientific and technological achievements into industrial applications.

Case Key Special Project of "Hydrogen Energy Technology"

The key special project of "Hydrogen Energy Technology" aims to promote the energy revolution and build a strong energy country by systematically arranging green hydrogen production, safe and dense storage and transportation, and efficient utilization technologies. It aims to connect basic foresight, common key technologies, engineering applications, and assessment norms, and achieve the overall goal of bringing China's hydrogen energy technology R&D level into the advanced world level by 2025. The Company is involved in the national key R&D plan "Consistency Assurance Technology for Mass Production of Vehicle-mounted Type IV Hydrogen Storage Bottles" in the direction of hydrogen energy safe storage and rapid distribution system technology. The aim is to overcome the bottlenecks that limit the commercial application of commercial products, such as the low reliability of the plastic liner of the 70Mpa Type IV hydrogen storage bottle and the poor stability of the winding process, and to solve a series of key technical issues from design to production, reaching the international leading level.

Industrial Exchanges and Cooperation

During the reporting period, Sunwoda invited experts to hold over 10 internal technology exchange meetings, more than 10 external academic seminars and exhibitions, and participated in the formulation of standards. During the reporting period, Sunwoda participated in the formulation of 29 national-level, industrial-level, and group-level standards. We organized the 13th Shenzhen Staff Technology Innovation Games & the 2023 Shenzhen Skills Competition- Professional Skill Competition for programmable control system designers.

Case The 3rd Advanced Battery Materials Cluster Industry Development Forum 2023

Under the guidance of the Shenzhen Municipal Bureau of Industry and Information Technology and the Advanced Battery Materials Industry Cluster, the 3rd Advanced Battery Materials Cluster Industry Development Forum 2023 was held with the theme of "Carbon Peaking and Neutrality Initiates a New Ecosystem, Cluster Intelligence Creates a New Future". We presided over the keynote report session and the roundtable dialogue on "Building a New World-Class Advanced Battery Cluster Ecosystem", and delivered the keynote reports titled *Challenges and Progress of High Specific Energy Power Cells, Exploration and Attempts to Build a Zero-Carbon Smart Park in the Face of Dual Carbon Goals, and Consumer Lithium Battery Demand and Application Exploration of Solid Electrolytes*.



Sunwoda's 2023 Advanced Battery Materials Cluster Industry Development Forum

Clean Technology and Green Product

Sunwoda steadfastly adheres to its corporate mission of "Innovation driving the progress of the new energy world". We consistently enhance our investment in scientific and technological R&D, specifically targeting green and clean technology. Clean technology innovation stands as one of our core strategies, propelling the sustainable growth of our business. We integrate green and low-carbon principles into every aspect of our operations, from product manufacturing to business administration, and incorporate these concepts into our overall strategic planning. Additionally, we actively facilitate the low-carbon development of upstream and downstream industrial chains, contributing to a more sustainable future.

Green Travel Solutions

Harnessing the exceptional high energy density, long lifespan, and unparalleled safety of our lithium battery modules and products, we provide robust and dependable energy support to a range of green transportation vehicles. Our dedication to developing flash-charge batteries is unwavering, focusing on power batteries that offer long endurance, ultra-fast charging, safe durability, and high value retention. To address the challenges of limited driving range, sluggish charging speeds, and safety concerns in new energy vehicles, we leverage key technologies such as our independently designed flash-charge high-conductivity network material technology, high-safety medium-nickel cathode, and innovative high-conductivity electrolyte. Furthermore, our full life-cycle adaptive supercharging strategy and high-precision coating and lamination technology enhance the safety and reliability of our flash-charge batteries, ensuring they meet the rigorous demands of long-distance driving and high-load transportation. By significantly improving the driving range and service life of vehicles, we inject robust momentum into the green development of transportation tools.

Case 4C Fast Charging 2.0

During the reporting period, based on the 1.0 and 1.0plus solutions for rectangular flash-charge batteries, Sunwoda continued to develop NCM battery cells with higher supercharging capacity and low-cost LFP supercharging battery cells, introducing the 2.0 solution. This solution covers all scenarios and all-weather supercharging needs, enabling a charge to 80% SOC in 9-10 minutes, achieving a driving range of over 250 kilometers with just 5 minutes of charging, and easily reaching a total driving range of 1,000 kilometers. It incorporates NTP (No Thermal Propagation) technology for all scenarios, ensuring safety and reliability throughout the battery's entire life-cycle.

Sunwoda offers intelligent energy solutions tailored for zero-carbon transportation scenarios. Its primary objective is to introduce clean energy and energy storage stations, thereby mitigating the grid's burden due to high-power charging and fostering environmentally friendly and carbon-neutral travel. Concurrently, it deploys advanced supercharging stations and battery swap facilities, significantly enhancing the charging and swapping experiences for vehicle owners, effectively addressing their mileage anxiety. The Company is rapidly expanding its national footprint with the ambitious "Ten Cities, Hundred Stations, Thousand Charging Piles" initiative, further strengthening its commitment to green transportation.



Case The Launch of Sunwoda's First Smart Photovoltaic, Storage, Charging, and Inspection Station

In active response to the national carbon emission peaking and carbon neutrality policy and to meet the growing demand for charging of new energy vehicles, Sunwoda has implemented a "photovoltaic, storage, charging, and inspection" solution based on its core storage battery technology, high-power supercharging technology, photovoltaic power generation technology, intelligent detection technology for power batteries, and intelligent energy management technology. Sunwoda has launched and operated its first liquid-cooled supercharging station at its Guangming base.



"Photovoltaic, Storage, Charging, and Inspection" - A New Card for Sunwoda's Zero-Carbon Travel

Covering a total area of approximately 350 square meters, the project utilizes photovoltaic power generation to provide green electricity for new energy vehicles. The carport is equipped with 120 square meters of photovoltaic panels, which are expected to generate an average annual electricity output of approximately 24,000 kWh, saving 7.23 tons of standard coal and reducing emissions by 19.81 tons each year. Additionally, the station is equipped with one liquid-cooled supercharger and seven DC fast chargers, capable of supporting the simultaneous charging of eight new energy vehicles. The liquid-cooled supercharger has a maximum power of up to 480kW, offering charging efficiency that is 8-10 times faster than ordinary fast charging, enabling a rapid charging experience of 10 minutes for a driving range of 400 kilometers.

Case The Operation of the Integrated Photovoltaic, Storage, and Charging Station in Xutian Village, Boluo, Huizhou



Sunwoda Xutian Rural Revitalization Integrated Photovoltaic, Storage, and Charging Station

During the reporting period, Sunwoda assisted Huizhou City in building its first rural revitalization smart photovoltaic, storage, and charging integration project, integrating "photovoltaic + storage + charging" into a single unit to form a diversified and complementary microgrid system. This integrated system seamlessly switches between grid-connected and off-grid operation modes, ensuring intelligent interaction with the power grid. This not only supplies green energy to new energy vehicles, but also takes into account crucial functions such as peak shaving and valley filling for electricity, thereby reducing costs associated with power distribution capacity expansion. Furthermore, the project effectively addresses challenges related to intermittency and instability in new energy generation. This safeguards the application scenarios of rural green travel and low-carbon living for new energy vehicles, while simultaneously promoting the green transformation of energy in rural areas. Overall, this initiative serves as a model for sustainable energy development in rural communities.

Energy Storage System Solutions

With the rapid development of renewable energy, the demand for energy storage systems is expected to continue to grow in the next few years or even longer. Energy storage systems play a key role in balancing the volatility of renewable energy, improving grid stability, providing backup capacity for power systems, and responding to peak power demand. Based on the user needs and pain points in the segmented market, Sunwoda innovates its products and solutions in energy storage, deeply cultivating five major business areas including power energy storage, industrial and commercial energy storage, household energy storage, network energy, and smart energy, which have covered more than 20 application scenarios so far. During the reporting period, the Company actively launched new products, including the new generation of 5MWh NoahX2.0 liquid-cooled energy storage system, household energy storage all-in-one SunESsPower, and SSI-480140A4F1 in the IDC field, leading the industry technology revolution. As of the end of the reporting period, the cumulative installed capacity of the energy storage systems exceeded 10GWh.

Case NoahX 2.0 Liquid-cooled Energy Storage System

During the reporting period, Sunwoda released the new generation of NoahX series 2.0 large-capacity liquid-cooled energy storage system, which adopts 314Ah battery cells and can achieve a standard 20-foot container energy storage system with an energy capacity of 5MWh. It boasts features of high safety, high capacity, and high efficiency. While maintaining the advantages of a cycle life of 12,000 times and a battery life of up to 20 years, compared with the currently mainstream 20-foot 3.72MWh energy storage system, its energy density has increased by 12.5%, system energy has increased by 35%, and its comprehensive energy efficiency is greater than 95%, resulting in a 5% reduction in charging costs over the entire life cycle. The use of proprietary patented high-safety electrolyte and double insulation design greatly improves the safety performance of energy storage.

Zero-carbon Park Solutions

Sunwoda fully integrates the concept of carbon neutrality into the planning, investment, construction, management and operation of parks and builds a key path of "source-grid-load-storage" integration. In Sunwoda's Boluo Park in Huizhou, the "distributed energy demonstration system with multi-energy complementary integration and optimization" program, a state-level key research and development program, as one of the first "near-zero-carbon parks" in the power battery industry, was accepted. Sunwoda reached strategic cooperation with Zaozhuang High-tech Zone, Lanxi Municipal Government, and Huizhou Boluo Government on the "source-grid-load-storage" integration to plan and build zero-carbon parks, helping local governments achieve carbon reduction targets.

/ Intellectual Property Rights

Sunwoda holds a profound respect for intellectual property rights and business secrets, both its own and those belonging to others. To ensure zero infringement on the rights and interests of external parties, the Company conducts thorough risk investigations during the research and development phase, during the promotional phase, and prior to product sales. Based on these investigations, intellectual property protection or violation prevention plans are meticulously crafted. Furthermore, the Company organizes specialized training sessions for researchers, developers, and intellectual property personnel to enhance their awareness and appreciation of intellectual property rights. To effectively identify and control intellectual property risks in the business process, strengthen the management of Sunwoda's trademarks, and further promote the effectiveness of intellectual property work, during the reporting period, the Company newly formulated or revised institutional documents such as the *Management Regulations on Intellectual Property Risks*, the *Management Regulations on Trademarks* and *Management Regulations on the Patent Acquisition*. We also conducted a risk investigation of infringement of products to be sold for each business unit and 4 subsidiaries of Sunwoda received certification of the intellectual property management system.

As of the end of the reporting period

The number of new patent applications

892

The number of new authorized patents

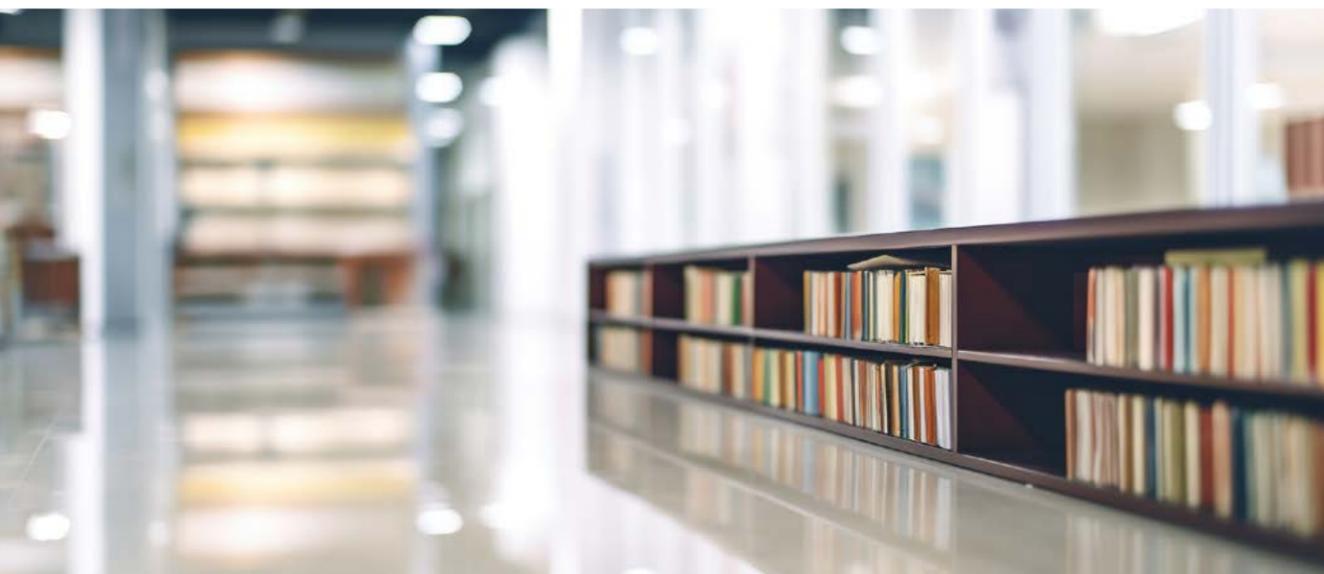
1,399



Case

Intellectual Property Examiner Practice Base

To establish a platform for mutual exchange and learning between R&D personnel of Sunwoda and patent examiners, promote mutual understanding and cooperation between R&D personnel and patent examiners, and improve the quality of patent examination and authorization, Sunwoda applied to become a practice site for the Shenzhen High-tech Zone Examiner Practice Base of the National Intellectual Property Administration in 2022. During the reporting period, the company invited examiners from the Materials Department of the National Intellectual Property Administration to visit and exchange ideas, discussing issues such as precautions for patent applications and how to use intellectual property to enhance enterprise competitiveness.



Product Quality and Safety

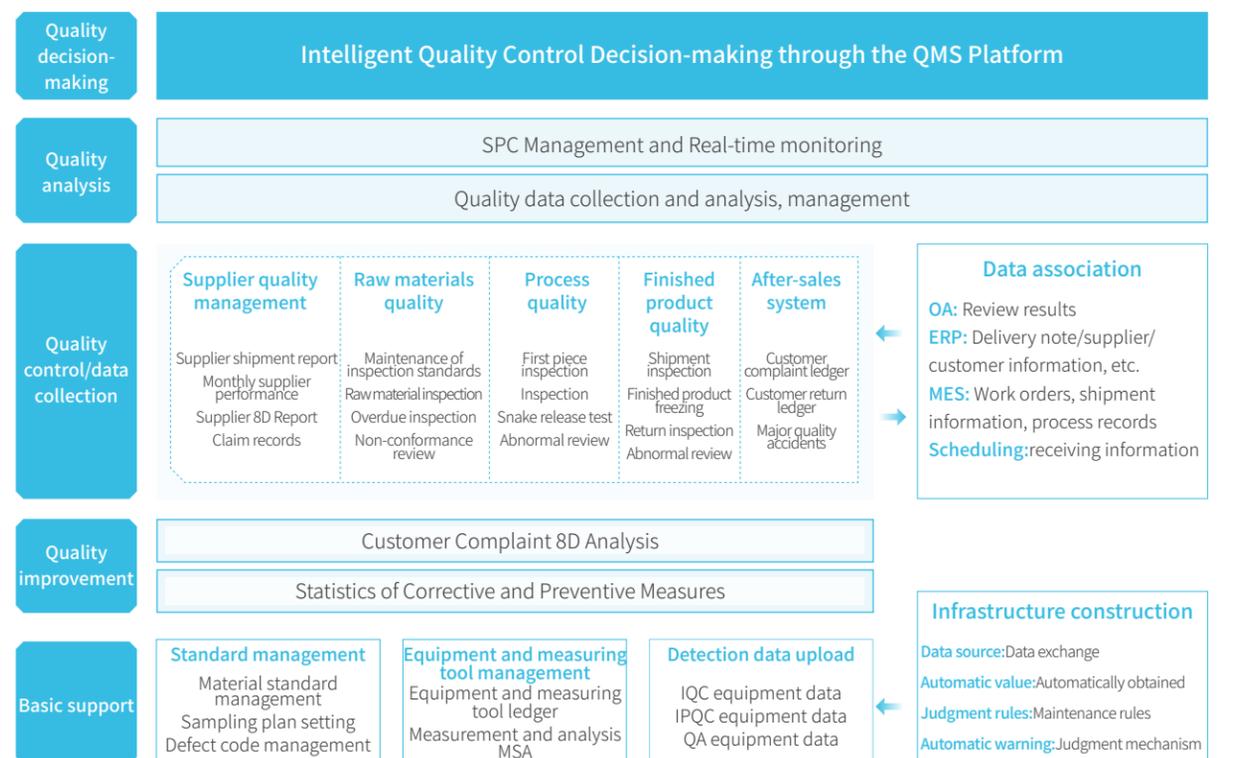
/ Quality Management

Quality Management System

Sunwoda has implemented a rigorous quality management system that spans the entire spectrum of its operations, encompassing material procurement, product design and development, production, and post-sales services. With a steadfast commitment to achieving zero defects in its products, the Company strives to deliver exceptional products to its customers. Annually, the company conducts a thorough review of its quality management system in accordance with the *Quality and HSF Manual*, the *Management Regulations on Internal Audit*, and other pertinent regulations. Prompt corrective measures are taken to ensure the continuous effectiveness of the system. This robust quality management framework has been consecutively recognized and certified by multiple third-party quality systems, including the ISO 9001 Quality Management System, the IECQ QC 080000 Hazardous Substance Process Management System, the IATF 16949 Automotive Quality Management System, and the VDA system certification.

Quality Improvement

Sunwoda has established a complete and mature management system and procedure that can manage routine affairs with "three rates" (completeness rate, improvement rate, compliance rate), analyze various procedures, and output key improvement measures based on business pain points. In terms of on-site implementation, Sunwoda has set up a special inspection organization and organized standard teach-ins to improve the capability of observing and managing standards and procedures on site. To improve the efficiency of quality management and standardize various quality management standards, the Company independently developed a quality management system (QMS), enabling the recording, statistics, analysis, and traceability of quality data throughout the entire life-cycle. During the reporting period, Sunwoda launched the comprehensive quality system that aims to achieve greater mobilization and digitization, paving the way for future big data-driven quality alerts and enhanced operational efficiency.

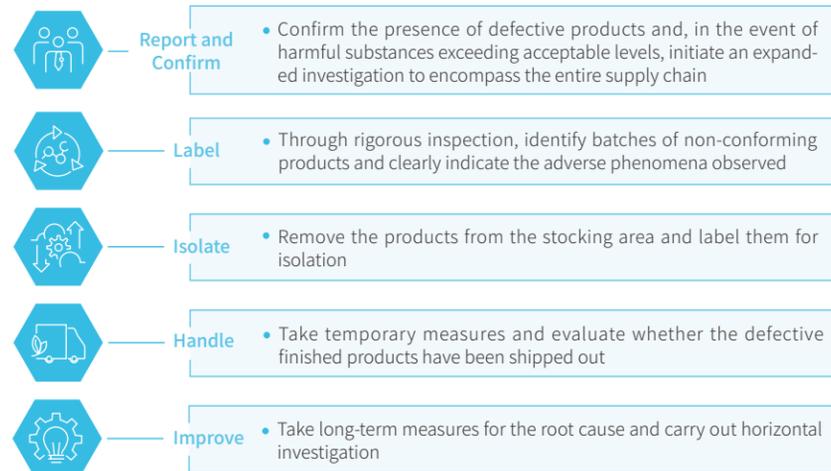


During the reporting period

The conformity rate of products in all business units of Sunwoda was nearly

100%

No product was recalled due to quality defects, and no incident that posed a threat to consumers' life safety was reported.



Non-conforming product control process

Case: Sorting out and Improving Scrap Disposal Process

During the reporting period, Sunwoda sorted out and optimized the entire scrap disposal process of defective products in production, as well as the processes related to the demands, purchases, and transfer of scrap for production auxiliary materials, clamping tools, sample trials, certifications, and scrap products. Six improvement projects were established for 31 issues, and all improvements have been completed.

Quality Culture Construction

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

Initiatives	Content
Quality publicity	<ul style="list-style-type: none"> We widely publicized the awareness of quality in the forms of promotional manuscripts, poster slogans, and high-quality tweets. During the reporting period, a total of 183 manuscripts were designed and 12 quality official We-Chat posts were published, with a cumulative number of exceeding 30,000 views.
Quality activities	<ul style="list-style-type: none"> We carried out activities such as Quality Month and select the Quality Star every quarter.
Quality improvement	<ul style="list-style-type: none"> We organized QCC training, Six Sigma certification, and proposal improvement activities, aiming to involve all employees for continuous improvement. During the reporting period, a total of 105 enabling and counseling activities were carried out, with a duration of over 400 hours. The completion rate of the QCC project submissions was 98%, and the estimated financial benefit was nearly RMB 60 million. We held the first Sunwoda Supplier QCC Competition.
Quality knowledge popularization	<ul style="list-style-type: none"> We developed quality courses covering live-streaming, lectures, and supervisor training, etc.
Quality brand building	<ul style="list-style-type: none"> We participated in Shenzhen city level and national level competitions, and won the professional level award in the national QC group achievement publication and exchange activities. In the final competition of Shenzhen workers' "Five Small" innovation and quality technology achievements, we won 2 gold medals and 3 silver medals. Outstanding Result of the National Light Industry Quality Management Team. Champion of the Lenovo Customer QCC Competition in 2023.



Sunwoda Supplier QCC Conference



Opening Ceremony of Six Sigma Black Belt Training Course

Case: Perfect Conclusion of the 2023 Sunwoda Quality Month

The theme of this year's Quality Month is "Implementing Cost Reduction and Efficiency Enhancement Strategies to Boost Quality and Benefits". Sunwoda held a series of Quality Month theme activities, including online quizzes and lotteries on quality knowledge, the "Everyone Proposes, Cost Reduction and Efficiency Enhancement" creative ideas collection, the Rising Star Quality Knowledge Competition, the 5th Quality Competition, and the Proposal Improvement Level Evaluation Conference. The cumulative number of participants exceeds 10,000.



Quality Month Promotional Image

Hazardous Substance Management

Sunwoda firmly adheres to the environmental protection standards, ensuring that all products comply with the required regulations. It has standardized the control of harmful substances throughout the entire product lifecycle, encompassing raw material procurement, new product development, manufacturing, packaging, storage, and transportation, which guarantees that the products' harmful substances adhere to both regulatory standards and customer expectations. The Company has developed the Technical Standards for Environmental Management Substances. These standards provide a solid foundation for procurement teams, suppliers, and other relevant departments to effectively control harmful substances and prevent the entry and usage of materials, components, parts, and products containing harmful substances. Furthermore, the Company has intensified its performance management and auditing of suppliers in terms of reducing harmful substance emissions. Hazardous substance audits are incorporated into the new supplier introduction review process and annual supplier audits, ensuring suppliers' compliance with the company's environmental, safety, and quality standards. To maintain the integrity of the procurement process, the company has integrated its material certification system with the procurement system. This ensures that all purchased materials are thoroughly certified and regularly updated on the material certification list. Sunwoda implements a monthly supplier evaluation system, where suppliers found to be involved in environmental non-compliance, use of fake or prohibited materials, or data falsification, will be promptly rated as grade D for that month's performance.

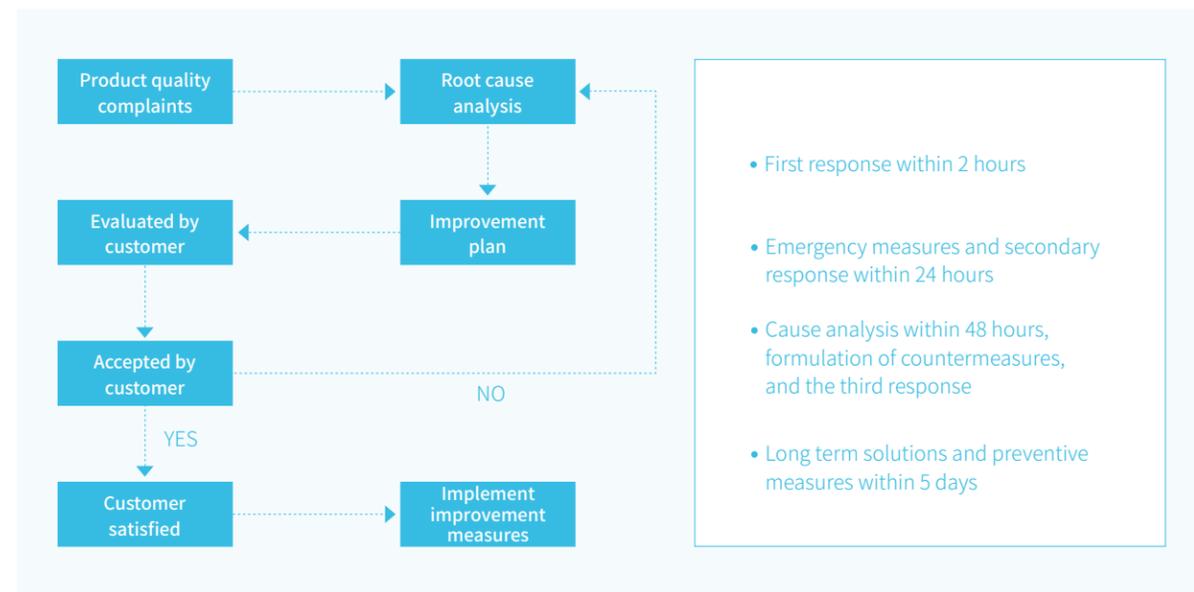


Customer Service

Sunwoda holds a steadfast commitment to the customer-centered approach, deeply comprehending and responding to customer feedback and needs. We strive to forge resilient customer relationships through diverse channels and avenues. Additionally, the Company continuously reinforces the customer service team's sense of responsibility and marketing awareness through regular and informal meetings and promotional activities, aiming to elevate the standard of customer service excellence.

Customer Complaint Management

Sunwoda has established a comprehensive *Customer Complaints Handling Procedure*, enabling customers to voice their feedback and opinions through various platforms such as email, telephone, WeChat, or face-to-face meetings. We adhere to the "2485" response principle in addressing customer inquiries, ensuring prompt and efficient resolution. During the reporting period, Sunwoda achieved a remarkable feat of resolving 100% of all complaints, reflecting our unwavering commitment to customer satisfaction.



Customer Complaint Handling Procedure

Customer Satisfaction Survey

Sunwoda has developed the *Customer Satisfaction Management Regulations* to strengthen communication with customers, gain a deeper understanding of their needs, and continually optimize our products and services. Regular customer satisfaction surveys are conducted, encompassing aspects such as engineering support, execution intensity, quality control, technological innovation, and social responsibility. Based on the survey results, Sunwoda issues the *Rectification and Prevention Report*, assigning specific individuals to address and resolve the identified issues effectively.

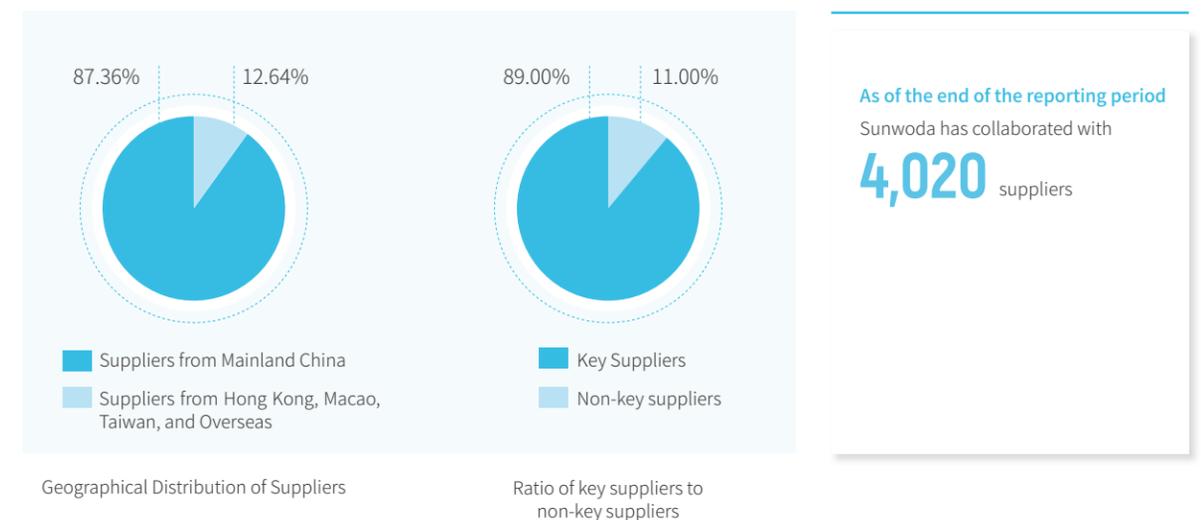
Customer Information Confidentiality

Sunwoda adheres strictly to confidentiality agreements with customers, emphasizing the significance of confidentiality awareness among employees in its *Management Regulations on Business Ethics*. Involved employees are mandated to undergo training on information confidentiality and are required to sign confidentiality agreements with both customers and the Company. Specialized measures for information protection are implemented to safeguard customers' materials and prevent information sharing across different projects. Additionally, some customers are provided with dedicated production areas to further ensure confidentiality.

Sustainable Supply Chain

Sunwoda's capability to provide exceptional services to customers is firmly grounded in a stable and sustainable supply chain. We uphold the ten principles of the UN Global Compact, strictly adhering to pertinent laws and regulations regarding human rights, labor standards, environmental protection, and anti-corruption. Sunwoda is committed to fostering transparent and mutually beneficial procurement relationships with suppliers, engaging only with those who adhere to the highest legal and ethical standards. Drawing from the SA8000 Social Responsibility Standard, the RBA Responsible Business Alliance Code of Conduct, and applicable laws and regulations, Sunwoda has formulated the Basic Principles for Cooperation with Suppliers. These principles establish minimum requirements for suppliers in areas of environmental protection, social responsibility, and governance. All suppliers are required to adhere to these principles.

During the reporting period, Sunwoda has revised and updated internal policies, systems, and forms, including the *Management Regulations on the Evaluation and Monitoring of Suppliers*. These revisions have incorporated considerations on climate change and conflict minerals, further clarifying the expectations for suppliers' sustainable development. This standardization of management ensures that Sunwoda is aligned with its suppliers in creating a sustainable supply chain.



Supplier ESG Management

Sunwoda maintains a comprehensive suite of supplier evaluation and management techniques, spanning from initial development to ongoing collaboration. Routine monitoring and periodic assessments, coupled with on-site evaluations and field guidance, ensure strict oversight of suppliers' product and service quality, aligning with legal, regulatory, and customer expectations. Given the inherent disparities in ESG risks between suppliers and the company itself, we integrate control measures into key stages of the supplier management lifecycle, encompassing supplier development, risk assessment, on-site verification, performance evaluation, and continuous improvement. ESG training sessions are conducted during supplier seminars, aimed at sharing industry knowledge and best practices, thereby fostering suppliers' sustainable development.

Supplier Onboarding

During the onboarding process, Sunwoda assesses suppliers' performance in terms of product quality, ESG compliance, and other relevant qualifications and certifications. Clear access baselines are established, and suppliers' eligibility is determined based on a rigorous risk evaluation and on-site audit. These baseline requirements encompass both general public access items and category-specific criteria tailored to the unique characteristics of different product categories. Suppliers listed in the abnormal business directory or the seriously illegal and untrustworthy enterprise list (blacklist) are strictly prohibited from being onboarded in any case.

To effectively mitigate the social and environmental impacts of the supply chain, Sunwoda requires all new suppliers to sign agreements, including the Basic Principles for Cooperation with Suppliers and the Commitment of Suppliers to Environmentally-friendly Materials. These agreements comprehensively cover aspects such as ESG management systems, ISO certification, business ethics and conduct, human rights impact, and environmental impact, among others, and clearly outline the responsibilities of both parties.

Supplier Review

For qualified key suppliers, Sunwoda ensures the maintenance of their ISO system and performs an annual review, complemented by onsite audits conducted at the suppliers' facilities as per business needs. In the event of non-conforming items, Sunwoda promptly notifies suppliers and confirms the audit findings, ensuring their comprehension and acceptance of the unqualified areas. Sunwoda further evaluates the rectification plan and, where necessary, offers guidance to suppliers in achieving closed-loop improvement. However, if a supplier fails to meet the required standards within the stipulated timeframe despite such guidance, we may consider reducing its level of cooperation with that particular supplier.

 Management System	<ul style="list-style-type: none"> • Obtained ISO 14001, ISO 45001, and ISO 9001 certifications.
 ESG risk evaluation	<ul style="list-style-type: none"> • Management system, business ethics, prohibition of discrimination, working hours, wages and benefits, free of child labor and forced labor, occupational health and safety, environmental protection, etc.

Enhancing Supply Chain Resilience



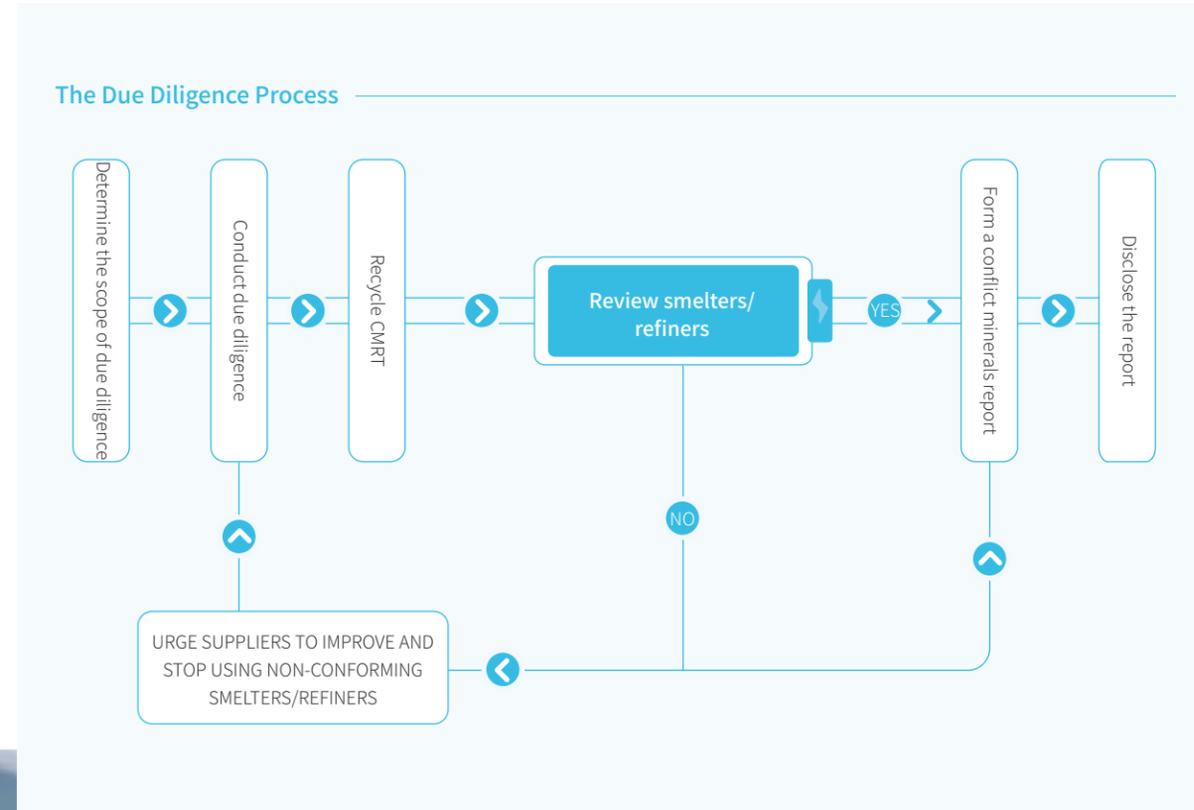
Avoidance of Conflict Minerals

Sunwoda fully understands and takes into account the human right and environment issues related to conflict minerals. In procurement, Sunwoda adheres to a responsible attitude and make sure that the products we produce do not contain tantalum, tin, tungsten, gold, cobalt, mica, and other metals that directly or indirectly provide funds or benefits to the armed forces that abuse human rights in conflict areas. By conducting due diligence investigations on the sources and supply chain of these metal minerals in the supply chain, Sunwoda promotes supply chain improvement and ensures that conflict minerals are not used or supported. The Company's conflict minerals management work is guided and supervised by the Sustainable Development Strategy Committee and the Sustainable Development Management Committee. The implementation is carried out by the Sustainable Supply Chain Team and multiple departmental teams such as Procurement, Quality Center, and Business Units.

Sunwoda promises to follow the *China Mineral Supply Chain Responsible Management Guidelines* of the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Co-operation and Development (OECD), and the relevant regulations on the management of tungsten, tin, tantalum, and gold minerals in conflict areas in the Dodd-Frank Wall Street Reform and Consumer Protection Act. In accordance with the OECD's conflict minerals guidelines and the RBA plan, the Company carries out due diligence investigations on the supply chain of all tantalum, tin, tungsten, gold (referred to as 3TGs), cobalt, and mica contained in its products. Sunwoda requires suppliers that all 3TGs, cobalt, and mica used in their products must be purchased from conflict-free mines that are recognized by the RBA and have passed the Responsible Minerals Initiative (RMI) audit and certification. Sunwoda also supervises suppliers in their efforts to facilitate non-RMI-certified smelters and refiners to be verified by the Responsible Minerals Assurance Program (RMAP).

Item	Content
Management system	<ul style="list-style-type: none"> • Publicly release the conflict minerals policy. • Formulate the Conflict Minerals Management Regulations, outlining departmental responsibilities and specifying due diligence requirements, including those pertaining to new material introductions, annual reviews, and result handling. • Foster long-term partnerships with suppliers, communicate company expectations, and integrate conflict mineral standards into the Basic Principles for Cooperation with Suppliers. This includes urging suppliers to formulate their own conflict minerals policies and carry out due diligence within their supply chains. Additionally, we establish reporting mechanisms to enhance mineral supply chain management.
Identify and assess risks	<ul style="list-style-type: none"> • Establish an internally transparent and controllable supply chain system, conduct thorough country-of-origin inquiries, and consolidate investigation data to identify conflict mineral smelters/refineries.
Due diligence	<ul style="list-style-type: none"> • Conduct due diligence investigations during supplier induction and when introducing new products for material selection. • Conduct two annual due diligence investigations to ensure multi-faceted control.
Management measures	<ul style="list-style-type: none"> • For identified smelters not adhering to the RBA/RMI plan, we encourage the supply chain to urge non-compliant and unaudited smelters/refineries to participate in audit programs to achieve compliance. • Require suppliers not using qualified smelters to submit a written risk management/improvement plan, gradually achieve smelter/refinery qualification, or replace non-compliant second-tier suppliers. • In cases where the risk management plan remains ineffective after six months, we initiate urgent corrective actions and explore alternative solutions, including terminating business relationships with suppliers who fail to comply.
Public reporting	<ul style="list-style-type: none"> • Summarize annual conflict mineral investigation reports and disclose it on the official website.

During the reporting period, Sunwoda conducted conflict minerals surveys on 749 suppliers, covering six minerals including 3TGs, cobalt, and mica, and no unqualified smelters were found to be used. A total of 300 smelters involving the use of these six minerals were surveyed, of which 251 were audited, accounting for 84%. 49 smelters were under audit or met the RMI evaluation conditions, accounting for 16%. Details of the audit can be found in the 2023 Sunwoda Conflict Minerals Survey Report.



Due Diligence Result of 2023

Name of conflict mineral	Number of smelters	Number of conforming smelters	Percentage of conformity
Tantalum	35	35	100%
Tin	69	69	100%
Tungsten	38	38	100%
Gold	112	112	100%
Cobalt	43	43	100%
Mica	3	3	100%
Total	300	300	100%

By the end of 2025

Reasonable Country of Origin Investigation (RCOI) will cover the entire supply chain

Achieve an overall **98%** conflict-free minerals

Future Plans

- Optimize the conflict minerals investigation system, conduct training for the departments involved, and promote the smooth completion of due diligence investigations.
- Increase the intensity and frequency of investigations, and encourage smelters that have not yet undergone audits to accept audits. Further optimize the method of collecting and organizing data for supplier conflict minerals surveys, and improve the content covered in conflict minerals investigation reports.





Green and Low-carbon

Low-carbon requirements have gained widespread global consensus. At Sunwoda, we have always been committed to green and sustainable development, actively adopting innovative green technologies in our environmentally friendly production and operational processes. We have implemented comprehensive measures in various areas, including energy conservation and carbon reduction, pollution prevention and control, as well as water resource management, to contribute towards a more sustainable future.

- Environmental Management
- Carbon Emission Management
- Green Production
- Green Culture
- Biodiversity Conservation

Contribution to SDGs



- Environmental protection investment of **RMB 97,107,800**

- Total installed capacity of photovoltaics of **78.04 MW** generating **92,450 MWh** of electricity

- Achieve the dual control targets of total carbon emissions and emission intensity

Environmental Management

/ EHS Management System

Sunwoda adheres to the EHS policies of "law observation, pollution prevention, human-based approach, safe operation, energy reduction, and continual improvement" and strictly abide by national laws and regulations, attach importance to the harmonious unity of industrial operations and the natural environment, and practice low-carbon and green operations. Sunwoda has established a Work Safety Committee (hereinafter referred to as "the Safety Committee") responsible for work safety, fire protection, environmental protection and other matters. The Chairman of the Board of Directors serves as the chairman of the Committee, the safety director serves as the executive vice chairman and the director of the Safety Committee Office, and the divisional leaders serve as vice chairmen. The legal representatives, chairmen, chairman assistants, vice presidents, general managers, and personnel in charge of daily operations on site of the subsidiaries are the first person responsible for work safety and fire safety. Vice presidents, managers, supervisors, and engineers serve as safety personnel responsible for different levels of positions.

We are committed to continuously enhancing our environment and occupational health management system. Regular reviews of our EHS policies, targets, and indicators are conducted to ensure the effective implementation of environmental, occupational health, and safety management practices across the entire company.



Organizational Structure of the Safety Committee

/ Environmental Management System

Environmental protection investment
RMB **97,107,800**

Newly installed waste gas treatment facilities
46

Newly installed wastewater treatment facilities
4

System Construction

Sunwoda strictly adheres to the *Environmental Protection Law of the People's Republic of China* and other pertinent environmental regulations. We have established and continuously refined an environmental management system aligned with ISO14001:2015 standards, encompassing all five major business segments of our organization. This ensures comprehensive coverage across our entire business operations. To guide our environmental practices, we have formulated a comprehensive environmental management policy system applicable to the entire company. This includes the *Environmental Safety Manual*, *Management Regulations for Environmental Pollution Control and Prevention*, as well as *Detailed Implementation Rules for Safety Control of Wastewater Stations*. These policies address all critical areas of our operations, effectively managing the environmental impact of atmospheric and water pollutant emissions, waste generation, and other relevant factors. We emphasize active environmental performance management and link the quarterly and annual performance bonuses of personnel at the general manager level and above directly to environmental performance, assigning a safety performance weight of 5%-10%. Monthly performance appraisals and quarterly statistics are conducted in accordance with standardized documents such as the *Detailed Implementation Rules for Measurement and Evaluation of Environmental Safety and Health Performance*, *Detailed Implementation Rules for Safety Production Awards and Penalties*, and *Safety Production Veto Items*.

As of the end of the reporting period, 21 out of 34 entities, including Sunwoda and its reportable subsidiaries, have successfully obtained ISO 14001 environmental management system certification. For those that have yet to pass the certification, we ensure strict adherence to the ISO 14001 standard in their environmental management practices.

Environmental Inspection

100%

compliant disposal of pollutants throughout the year and no environmental accidents occurred.



Environmental monitoring

- We conduct regular monitoring of waste gas, wastewater, and noise, primarily adhering to the *Technical Guidelines for Self-Monitoring of Pollutant Discharging Units (General Principles) (HJ819-2017)*, as well as the requirements stipulated by the pollutant discharge permit management platform, environmental impact assessment reports, and approval standards.
- The monitoring frequency varies slightly based on the specific discharge permit management regulations, the demands outlined in the environmental impact assessment reports, the categorization of pollution factors, local regulatory mandates, and other conditions unique to our various subsidiaries.

Environmental Inspection

- Daily: routine self-inspection
- Monthly: regular inspections by the safety departments of subsidiaries
- Irregular: conducted by the environmental protection professional team on subsidiaries

Environmental Audit

Sunwoda takes into account the potential impact on the surrounding environment during the implementation of new construction, reconstruction, and expansion projects. As per legal requirements, the Company prepares a comprehensive environmental impact report. Once the EIA approval is obtained, Sunwoda proceeds with environmental protection procedures such as obtaining pollutant discharge permits, registering contingency plans for environmental emergencies, conducting acceptance inspections for completed projects, and acquiring drainage permits, all tailored to the specific nature of the project. Additionally, the internal EHS department thoroughly reviews all declaration materials pertaining to the environmental protection procedures of construction projects.

Sunwoda conducts annual re-identification and evaluation of environmental factors, with additional assessments whenever changes occur in its activities, products, or services. This process takes into account various aspects, including the environmental policy, stakeholder expectations, technical challenges, environmental and financial impacts, to assess critical environmental factors and their consequences. This evaluation enables us to formulate reasonable environmental objectives, indicators, and management plans.

To further enhance the environmental management plan and minimize the environmental footprint of its business operations, Sunwoda regularly conducts environmental audits. Internal audits are performed annually, covering 100% of the production bases across all business segments. Additionally, we commission professional third-party institutions to conduct external audits on a regular basis. These audits include annual sampling inspections of the environmental impact of relevant businesses in each segment and a comprehensive audit cycle once every three years.



Emergency Management

Sunwoda is committed to establishing and enhancing its environmental emergency management system, thereby elevating its emergency handling capabilities. This ensures that any environmental emergencies are promptly, orderly, and efficiently addressed. To achieve this, we focus on three key aspects: refining the environmental emergency management framework, integrating emergency management practices throughout its operations, and strengthening the fundamental safeguards for environmental emergencies. Through these measures, Sunwoda aims to prevent or minimize casualties, property losses, and environmental damage.

Consolidate the Support and Response Capabilities for Emergencies







Enhance the environmental emergency management system

- Strictly implement the responsibility system for environmental emergency management
- Refine the contingency plan system for environmental emergencies
- Innovate the linkage and cooperation mechanism of the environmental emergency management

Facilitate the whole-process management of the company's environmental emergencies

- Reinforce the whole-process management of the company's environmental emergencies
- Strengthen monitoring and early warning, and establish a sound environmental risk prevention system
- Thoroughly comprehend the environmental risk source information and strengthen hidden danger rectification
- Establish and refine the emergency duty and accident alarm system
- Establish a system for analyzing typical cases of environmental emergencies and a post-disposition evaluation system

Enhance the basic guarantee work for the environmental emergency management

- Strengthen the company's environmental emergency response capabilities
- Reinforce environmental emergency training and public education

During the reporting period,
Emergency drills **2,180**

Sunwoda has prepared and filed an environmental emergency plan and reviews the content of those documents once every three years. The environmental emergency plan management system consists of 1 comprehensive plan and 5 special plans, covering chemical pollution incidents, hazardous waste pollution incidents, secondary environmental pollution incidents caused by unexpected fires, unexpected exhaust gas discharge incidents, and soil/groundwater pollution incidents. Additionally, we emphasize auditing and providing guidance to our subsidiaries, aiming to safeguard the efficacy of this comprehensive system.



- Each subsidiary with system certification carries out annual internal audits to evaluate the overall operation of the environmental management system over the past year and ensure its continued suitability, adequacy, and effectiveness.
- Invite third-party institutions to conduct external audits in accordance with ISO14001: 2015 requirements for continuous improvement.
- Organize a series of training sessions for internal auditors and system responsible persons, including EHS internal auditor auditing knowledge and skills, environmental factor identification and evaluation, hazard factor identification and evaluation, compliance obligations and compliance evaluation, to ensure that internal auditors possess corresponding theoretical knowledge and enhance their professional capabilities through internal audit practice activities.

Carbon Peaking and Neutrality Management

Carbon Peaking and Neutrality Management System

Sunwoda's carbon peaking and neutrality goals

Achieve carbon emissions peak in operation by **2029**
and carbon neutrality in operation by **2050**

Planned objectives

Reduce carbon emissions by 2030 6.84 million tons	Reduce carbon emissions in transportation by 2040 42.37 million tons
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Sunwoda has established a carbon peaking and neutrality management system that is firmly rooted in its ESG framework, which is jointly promoted by the Sustainable Development Strategy Committee, Sustainable Development Management Committee, and ESG Management Department, along with its subsidiary professional and business sector implementation teams, ensuring a top-down approach to realizing our carbon peaking and neutrality goals.

During the reporting period

Regular meetings on carbon peaking and neutrality goals

6

Strategy committee meeting

1

Centralized surveys

2

The carbon emission in 2023 is
72.9 % of the target value

The actual carbon emission intensity in 2023 is
93.9 % of the target value

The dual control targets of total volume and intensity have been achieved.

As of the end of the reporting period

Subsidiaries obtained the PAS 2060 carbon neutrality certification

3



Scientific Emission Reduction Targets and Strategies



Sunwoda has aligned itself with the Science Based Targets initiative (SBTi). Remaining steadfast to its corporate aspiration of evolving into a "respected world-class new energy enterprise", the Company has been proactive in addressing climate change. It adheres to the fundamental business philosophy of sustainable development, embracing the global ambition of limiting the Earth's temperature rise to 1.5°C, and committing to achieving net zero emissions. This commitment is not just a statement; it is being actively translated into tangible actions.

With a focus on continuously reducing greenhouse gas emissions and mitigating the harmful effects of climate change, Sunwoda has progressively strengthened its dual-carbon management framework. The Company has obtained ISO 14064 certification, a testament to its commitment to environmental stewardship. Annually, Sunwoda engages a professional third-party organization to conduct greenhouse gas inventories and carbon verifications across its subsidiaries. At the end of the reporting period, 9 subsidiaries had successfully undergone greenhouse gas inventory audits, while 3 had completed carbon verification audits.

Strategy of Reducing Carbon Emissions throughout the Whole Product Life Cycle

Object	Strategy	Actions and Effectiveness
Company	<ul style="list-style-type: none"> Measure carbon emissions in different stages at present and in the future according to the plan for output growth, formulate corresponding quantitative indicators, form a carbon emission management curve, integrate emission reduction requirements into various business modules and apply photovoltaic and energy storage systems in the park and use green power for production to reduce carbon emissions from operation. Fully standardize the carbon footprint calculation process from R&D to product ends and improve the carbon footprint accounting capability and promote the third-party certification of carbon footprints for typical products. 	<ul style="list-style-type: none"> Carbon Footprint Certification Carry out two product carbon footprint certification projects, select 10 typical products for certification, and obtain carbon footprint certificates and reports. R&D and Innovation According to the requirements of EU regulations, standardize the carbon footprint standards from the material and design ends while satisfying the performance of the battery cells, and achieve IT calculation of carbon footprint in the design stage. Internal Empowerment 12 technical supports to fully meet the sustainable requirements of international core customers. Hold 8 regular trainings and 2 special trainings, with a total of 450 participants.
Customer	<ul style="list-style-type: none"> Keep abreast of the requirements of international customers to formulate action plans to promote the continuous improvement of carbon reduction capability. 	<ul style="list-style-type: none"> Jointly promote energy conservation and carbon reduction through cooperation projects.
Industry Chain	<ul style="list-style-type: none"> Collaborate with partners to seek technological breakthroughs in the fields of raw materials, big data management of batteries, and cascade utilization and recycling of batteries, so as to boost carbon reduction and resource utilization in the battery industry chain. 	<ul style="list-style-type: none"> Renewable and recycled material layout in progress. Supply chain emission reduction 90% of the demonstration sector's intelligent technology and over 50% of the core suppliers of Liwei have committed to incorporating emission reduction targets into regular control. Battery digitalization platform Promote the construction of a digital platform for battery passports.



Case Study Exploring the Path of Low-carbon and Energy-saving Collaborating with Partners

Sunwoda and its customer, Honor, have engaged in proactive discussions and collaborations, sharing green development concepts and achievements by leveraging their combined resources. The progress and planning of carbon emission reduction have been at the forefront of these discussions. Notably, during the reporting period, the Honor production line located within the park has implemented several energy-saving and carbon-reduction initiatives. These include exhaust system optimization, mechanical arm suction process transformation, as well as lighting system enhancements both in the park and workshops. These efforts collectively equate to a reduction of greenhouse gas emissions by 213.5 tons.



Vacuum transformation of the robot arm for sucking batteries: The original vacuum generator is removed, and the vacuum is directly provided by the factory vacuum pump. Only the solenoid valve is needed to control the on-off of the vacuum source, which can avoid the leakage loss of compressed air and improve production efficiency.

- Improvement of exhaust systems in the pad printing ink mixing room and the overturning machine:** Prior to the optimization, the power of the exhaust fans in the pad printing ink mixing room and the overturning machine was 11kW. Following the improvement, the pipeline layout of the exhaust fan system in the pad printing ink mixing room and the overturning machine was optimized, a 320W workshop pipeline exhaust fan was installed, and the 11kW exhaust fan on the roof was turned off, only retaining the activated carbon filtration function, reducing nearly 10kW of energy-consuming equipment.
- Optimization of lighting in the pad printing workshop:** Initially, the layout of the pad printing workshop changed, and the lighting control methods in the manual line and material storage areas needed to be optimized. The lighting in the unattended areas was often turned on, resulting in high energy consumption. After the optimization, 40 light tubes were removed from the manual line, and the lighting control method of 160 lights in the material storage area was improved.

In 2023, Sunwoda obtained a **B** grade in the CDP Climate Change Questionnaire

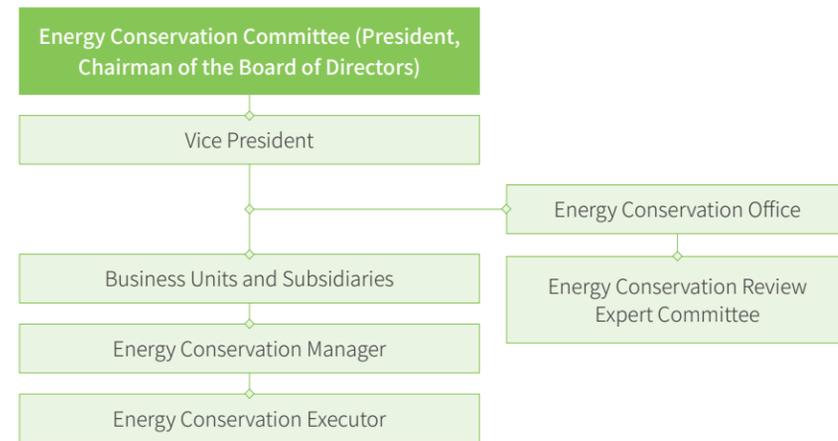


Green Production

With a comprehensive view of the environmental impact of our management and operational activities, Sunwoda remains steadfast in its commitment to minimizing the environmental and climate footprint of its production and operations, to become a benchmark enterprise for energy conservation and environmental protection.

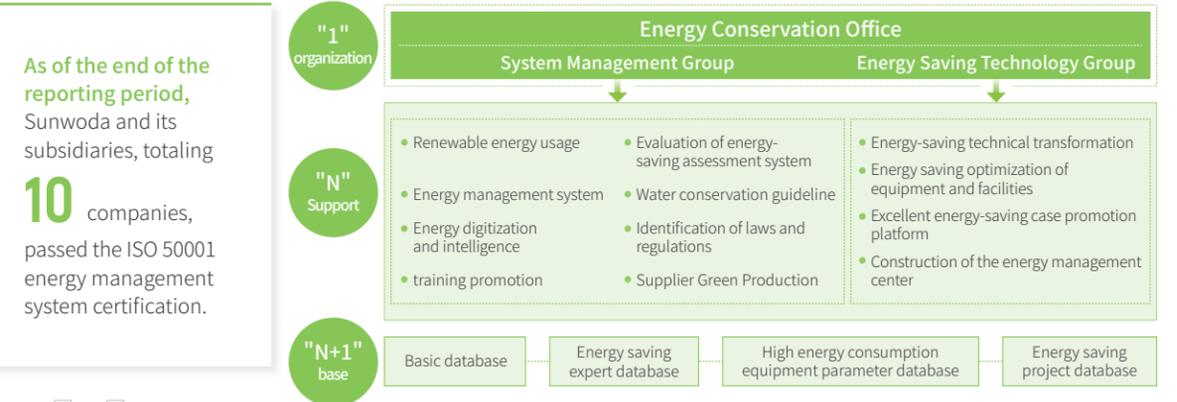
/ Energy Management

Sunwoda places a paramount emphasis on energy efficiency and utilization. We have formulated the *Energy Management Regulations* and established an Energy Conservation Committee, chaired by our Board of Directors' Chairman. This committee oversees the improvement of energy usage efficiency in our production and operational processes, fostering a culture of energy-saving management and ensuring the effective implementation of energy-saving measures. During the reporting period, we have reinforced the strategic framework for our energy conservation and emission reduction efforts, introducing a new expert committee for energy-saving evaluations which operates under the coordination of our group's energy-saving office.



Structure of the Energy Conservation Committee

In 2023, Sunwoda's energy management efforts are centered on the implementation of a comprehensive grouped energy management system. This approach aims to align with government regulations and fulfill customer demands, leveraging both management techniques and technological advancements to significantly reduce production energy consumption and operational costs. Furthermore, Sunwoda is committed to supporting the group in building a green and low-carbon production supply chain that satisfies customers' needs. To achieve these objectives, we have established an innovative energy-saving strategic model, encompassing "1 organization, N supports, and N+1 base". This model ensures the scientific application of data, standardized operation of energy-saving practices, and the integrated utilization of technology, thereby facilitating the realization of several target values.



Energy Conservation Goals

Goals of energy conservation in 2023		
The energy consumption per unit of output value of the group YoY decreased by	Energy conservation projects (management + technological renovation) initiation	Saving
8 %	≥ 40	RMB 8 million
Achievement of energy conservation goals		
The energy consumption per unit output value of the group decreased YoY by	Standard coal consumption decreased	
8.3 %	12,084 tce	
Technical renovation management projects	Saving	Standard coal consumption decreased
234	RMB 28,439,700	4,660.32 tce
Goals of energy conservation in 2024		
The energy consumption per unit of output value of the group YoY decreased by	The energy consumption per unit of output value of the group YoY decreased by	Energy conservation projects (management + technological renovation) initiation
4 % <small>(3C battery, power battery, energy storage system, intelligent hardware, and innovation and ecology sectors)</small>	6 % <small>(EV battery sector)</small>	≥ 260 Saving RMB 30 million

Energy Conservation Actions

Sunwoda takes energy conservation measures in management, technological renovation, energy management systems, energy conservation assessment, energy conservation training, and energy conservation publicity. An annual energy conservation work directive is also formulated to foster a holistic and meticulous approach to energy conservation management. Furthermore, the Company allocates special funds annually for energy conservation, which are used to finance energy-saving renovation projects, training and promotional activities, energy-saving incentives, and other related expenses, thus providing financial backing for its ongoing energy-saving efforts.

During the reporting period,	
Total investment in energy conservation	No. of subsidiary companies that passed clean production certification
RMB 18,451,600	5
Green factories certified	
4	

Direction	Content	Cases (Partial)
Management	<ul style="list-style-type: none"> Coordinate, formulate, assign, and supervise the implementation of annual energy-saving targets and benefits Promote energy conservation and emission reduction work in the supply chain to help build a supply chain with energy conservation and emission reduction throughout the full life-cycle Establish a standard system for energy conservation and emission reduction, and research and publish an innovative system for energy conservation 	<ul style="list-style-type: none"> Special Energy-saving Actions Promote the implementation of annual special ES-VPP (Energy Saving Voluntary Protection Program) and special actions for the Energy Saving Red Card Challenge Energy Consumption Information Platform Establish a transparent platform for energy consumption data, classify and statistically analyze energy consumption data, and form news briefs. Regularly send these briefs to relevant colleagues through the information platform to facilitate real-time understanding of relevant energy consumption information, identify opportunities for energy-saving improvements, and make improvements in energy consumption
Technological Renovation	<ul style="list-style-type: none"> Establish and manage a technical improvement management system and a technical improvement expert database, and improve the management and control process for energy-saving projects Establish energy-saving standards for the front end, user end, and after-sales end of public facilities and equipment, and prioritize energy conservation Identify, evaluate, and implement the energy-saving improvement projects, and provide technical support Evaluate and test the energy efficiency of the company's energy-using equipment 	<ul style="list-style-type: none"> Energy Management Center Project Focus on managing and controlling the energy consumption patterns of production workshops and public areas, as well as detailed energy consumption data of key energy-consuming equipment. Establish an intelligent energy management information system to provide data support for production energy conservation and other efforts Information Platform for Energy-Saving Proposals To achieve informatization in all aspects of energy-saving improvement projects, establish an information platform for energy-saving proposals Introduction of High-efficiency Energy-saving Lighting Fixtures To address issues such as high energy consumption, rapid light decay, high failure and replacement rates, and short warranty periods found during energy-saving inspections, introduce new LED technology and promote its application throughout the company to reduce energy consumption
Energy Management System	<ul style="list-style-type: none"> Operate the energy management system through the PDCA cycle, and organize operational measures including training for internal auditors of the system, energy audits, internal audits, management reviews, and supervision of external audits 	—
Energy Conservation Assessment	<ul style="list-style-type: none"> Establish a performance contract assessment mechanism based on the energy-saving management assessment and evaluation system, and set a KPI weight of 5%-10% for energy-saving performance 	—
Energy Conservation Training	<ul style="list-style-type: none"> Establish a special empowerment training system from the aspects of energy-saving systems, processes, systems, and compliance 	<ul style="list-style-type: none"> Conduct 14 special empowerment training sessions for energy conservation at the level of senior engineer and above Conduct 1 professional technical training session for equipment management personnel from 11 parks Conduct 8 compliance empowerment training sessions for energy conservation management personnel, covering 15 parks
Energy Conservation Publicity	<ul style="list-style-type: none"> Deeply carry out energy-saving propaganda and education, conduct multiple energy-saving promotional activities, raise employees' awareness of energy conservation, create a good atmosphere for all employees to conserve energy, and enhance the external image 	<ul style="list-style-type: none"> Energy Conservation Week Organize the 2023 Energy Conservation Week activities, including "Rewarded Quiz on Energy Conservation Knowledge", "Special Lecture on Energy Conservation and Low Carbon", "My Suggestions for Energy Conservation and Emission Reduction", "Selection of Excellent Energy Conservation Projects", etc. These activities covered 28 business lines/subsidiaries in 13 parks, with over 40,000 participants Daily Promotion Establish a public account named "Sunwoda Energy Conservation" and publish promotional articles such as "Green Energy Conservation Welcomes the 'Double Festivals', Let's Take the Lead in Energy Conservation and Emission Reduction!" and "Multiple Ways to Open Sunwoda's Energy Conservation and Emission Reduction"



Energy Consumption Information Platform



Rewarded Quiz on Energy Conservation Knowledge

Project	Effectiveness
Central air-conditioning water thermal storage	During the night valley period, idle ice machines are used to store cold water in the water storage tank. In daytime, the cold water in the tank is preferentially used during the peak period, and any excess cold energy can also be released during the flat period. This reduces the power grid load during peak hours and reduces carbon dioxide equivalent emissions by 4,953 tons per year
Improvement and transformation of boiler system combustion efficiency	By installing energy-saving activators for activated fuels in the boiler system, the combustion efficiency of the boilers is enhanced, and the energy efficiency utilization rate of the equipment is increased by 4%-6%. Currently, this has been tried out in some parks
Installation of intelligent control in air compression system	By installing a smart control system and linking it with the air compressor, the operating pressure of the air compressor is adjusted according to changes in the end supply air pressure, thereby reducing the energy consumption of the main unit and saving 15%-30% of operating energy
Transformation of central air-conditioning energy-saving control system	By optimizing the control logic of the central air-conditioning system and fully utilizing the variable frequency function of the main unit and water pump, the air-conditioning system becomes more energy-efficient. The energy efficiency ratio (EER) has been transformed from 3.89 to ≥ 5.2 , reducing the energy consumption of the central air-conditioning system by 20%-30%

Descriptions of Key Technical Renovation and Energy-Saving Projects (Partial)

To mitigate its dependence on fossil fuels and achieve the "dual-carbon" objective, Sunwoda has set a target of utilizing 100% renewable energy by 2050. This involves installing photovoltaic power stations, broadening the application of clean energy sources, and continuously elevating the utilization ratio of renewable energy forms like green electricity and green certificates in the future, thereby fostering a more sustainable and environmentally friendly energy mix.

During the reporting period, The total installed capacity of photovoltaics	Power generation	Purchase of green electricity of
78.04 MW	92,450 MWh	3,089 MWh

/ Pollution Prevention and Control

Sunwoda is committed to strictly adhering to all applicable laws and regulations regarding pollution discharge management. We continuously strive to enhance and refine our management of the "three wastes" - waste water, waste gas, and solid waste - and actively implement measures to minimize their discharge.



Waste Gas Management

Main Waste Gas Treatment Facilities and Treatment Methods

Categories	Main Treatment Methods	Key Indicators
Waste gas from spraying	Vortex tower + spraying + dry filtration + RTO	
Waste gas from coating	Condensation recovery + rotor adsorption	
Waste gas from injection	Spraying + activated carbon adsorption	
Waste gas from dispensing/jet printing/silkscreen printing/pad printing/injection molding	Activated carbon adsorption	
Waste gas from welding	Bag dust collector/dry filtration + activated carbon adsorption	Non-methane hydrocarbons, VOCs, particulate matter, SO ₂ , NO _x , H ₂ S, NH ₃ , odor, etc.
Organic waste gas	Spraying + dry filtration + activated carbon adsorption concentration + desorption catalytic combustion	
Dust	Gravity dust removal/bag dust collector/pulse dust removal	
Waste gas from boilers/heat transfer oil furnaces	Low nitrogen combustion	
Odor from sewage treatment plants	Spraying + biological trickling filter	

The principle of "collecting as much as possible and separately collecting according to quality"

- The waste gas collection system is comprehensively designed based on factors such as gas properties, flow rate, concentration, generation volume, and wind speed to ensure the effectiveness of waste gas collection

Preferentially selecting process equipment with its own gas collection system and advanced exhaust gas treatment

- The polluted gas collected by the gas hood is transported through a pipeline to the purification device for treatment and discharged after meeting the standards, ensuring the waste gas collection rate and reducing the unorganized emission of exhaust gas

Adopting enclosed and negative pressure operating measures for process sections and equipment that generate exhaust gas

- The storage and temporary storage facilities for solid waste (including hazardous waste) containing volatile materials or odors are designed in a closed manner, and the waste gas is collected, purified, and other treatment measures are taken to meet the standards before discharge
- The waste gas generated from sewage collection and treatment units (such as anaerobic tanks, aeration tanks, sludge tanks, etc.) is collected in a closed manner, and effective measures are taken for treatment and discharge

Waste Gas Emission Reduction Measures



Case Study

Optimizing production auxiliaries to reduce waste gas emissions

Through rigorous production experiments, Sunwoda successfully swapped out high-VOC content screen-washing water with a low-VOC, environmentally friendly cleaning agent. This transition occurred while fully satisfying product quality standards, leading to a notable 69% decrease in VOC content within production exhaust gas.

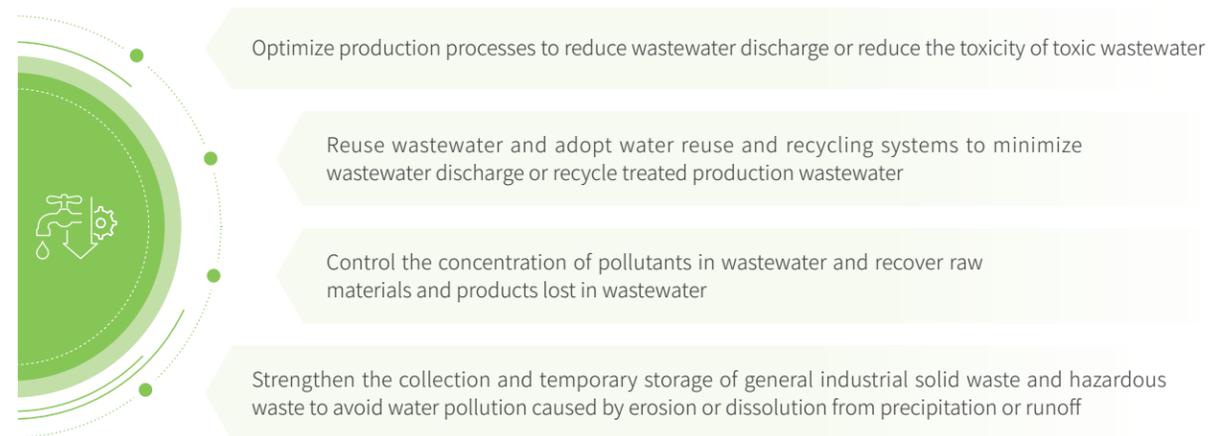
Wastewater Management

The 3C battery, energy storage product, and PCB processing and manufacturing facilities do not involve the discharge of industrial wastewater. Power battery plants are equipped with their own sewage treatment stations, ensuring 100% collection of both production and domestic sewage, with a 100% compliance rate for effluent quality.

The Boluo Park facilities boast their own domestic wastewater station, industrial wastewater station, and reclaimed water facility. After being treated by both the industrial wastewater station and the reclaimed water facility within the park, industrial wastewater is reused as supplementary water for air-conditioner cooling towers, ensuring no industrial wastewater is released into the environment. Similarly, domestic wastewater is treated by the park's domestic wastewater station and subsequently reused for watering green landscapes and flushing toilets. During the reporting period, Sunwoda further optimized existing processes, reducing the suspended solids concentration in the effluent and thereby enhancing the overall quality of wastewater discharge.

Categories	Main Treatment Methods	Key Indicators
Domestic sewage	Fenton oxidation + A2O + MBR	PH, Chemical Oxygen Demand (COD), 5-day Biological Oxygen Demand (BOD5), Suspended Solids (SS), Total Nitrogen (TN), Total Phosphorus (TP), etc.
	A2O + constructed wetland	
Production wastewater	Fenton oxidation + A3O + MBR	
	Fenton oxidation + A2O + multi-stage filtration + RO Sand filtration + carbon filtration + security filtration + ultrafiltration + RO	
	Grille + adjustment tank + flocculation and sedimentation + AO + MBR+Fenton + filtration	
Production wastewater, domestic sewage	Low-voltage electric Fenton + comprehensive adjustment + biochemical + MBR	
	Micro-electrolysis + coagulation sedimentation + UASB + two-stage AO	
Industrial wastewater	Adjustment tank + coagulation sedimentation + Fenton oxidation coagulation sedimentation + A2O + MBR	
Cleaning wastewater, concentrated brine from pure water machine, waste liquid from exhaust gas tower spraying	Adjustment tank + Fenton + A2O Sand filtration + security filter + ultrafiltration + RO system	

Main Wastewater Treatment Facilities and Treatment Methods



Wastewater Emission Reduction Measures

Waste Management

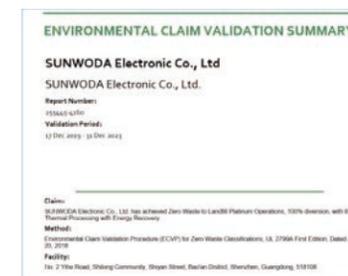
The solid waste generated by Sunwoda is categorized primarily into three types: general waste, domestic waste, and hazardous waste. General waste undergoes sorting within the factory premises and is then collected and disposed of by a specialized resource recycling plant. Domestic waste is handled by the local environmental sanitation department. Hazardous waste, being of utmost concern, is managed strictly in accordance with the hazardous waste management system prescribed by laws and regulations. This system comprehensively outlines the necessary measures for waste collection, storage, transportation, and treatment. Furthermore, the disposal of hazardous waste is entrusted solely to a qualified and certified hazardous waste treatment agency. During the reporting period, Sunwoda set a clear environmental management goal to ensure the compliant disposal of all hazardous waste and implemented rigorous tracking, recording, and analysis procedures for the disposal of hazardous waste.



Measures to Reduce the Generation and Emission of General Waste



Measures to Reduce the Generation and Emission of Hazardous Waste



Headquarters park has obtained the platinum-level certification for zero waste landfill, achieving zero waste landfill, 100% recycling, and energy transformation

Case Study Reducing Hazardous Waste Generation through Production Process Optimization

By upgrading its product line and refining production processes, Sunwoda has successfully eliminated the water washing step in the manufacturing of a specific product range. This initiative has not only streamlined the production workflow but also prevented the generation of cleaning wastewater, which often contains hazardous substances. It is anticipated that this measure will lead to a significant reduction of 130 tons of hazardous waste annually.

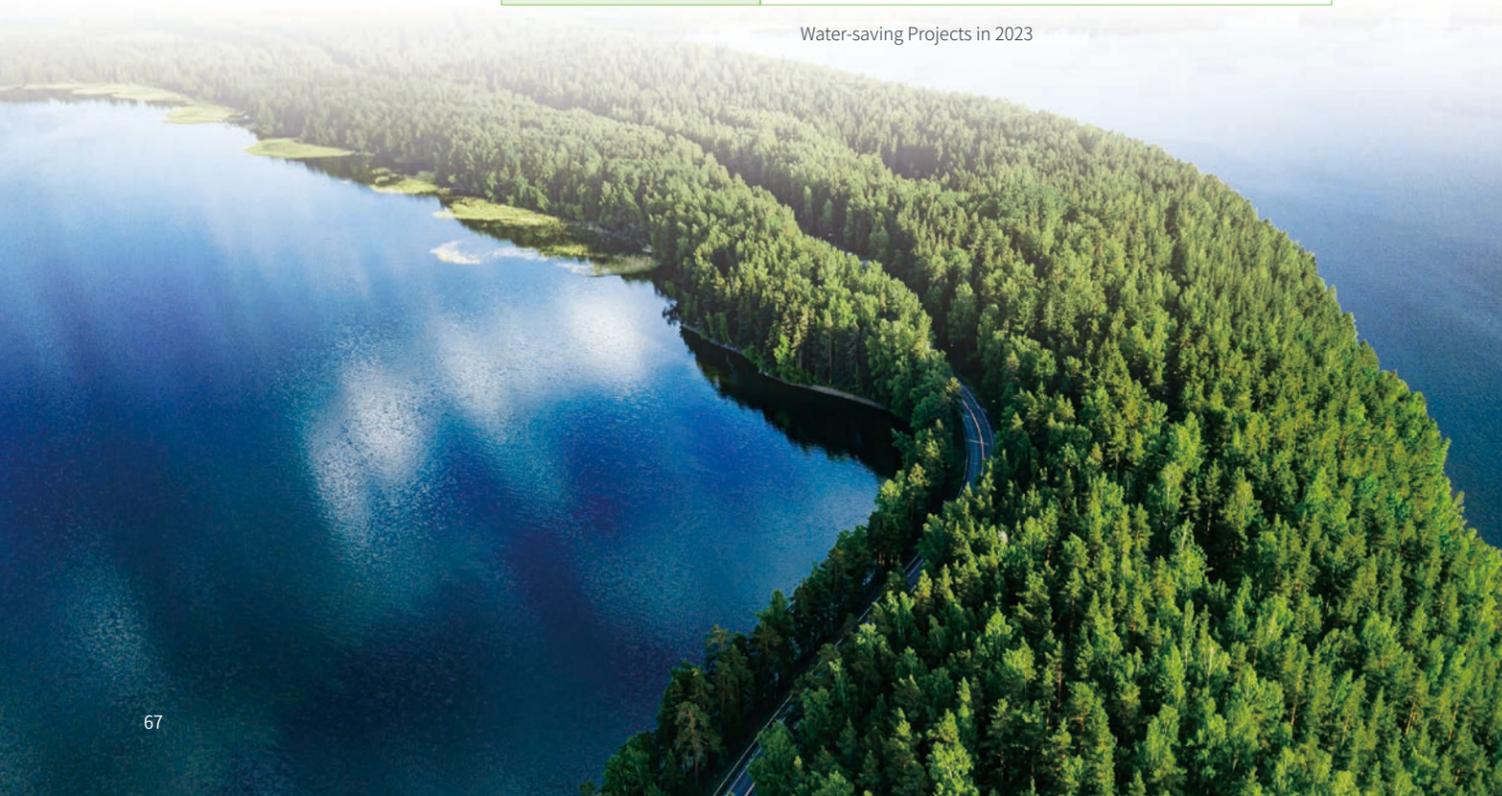
/ Water Resource

The average water consumption per capital in 2023 YoY decreased by **5%**

Given the critical importance of water conservation, Sunwoda has pledged to minimize its water usage and has formulated comprehensive *Management Regulations on Water Conservation*. Annually, Sunwoda develops a detailed water conservation plan and executes it diligently, adhering to the PDCA (Plan-Do-Check-Act) principle. The primary water source is the municipal water supply, ensuring a reliable and sustainable source of water for its operations.

Project	Measures
Replace EDI pure water with RO pure water	After process verification, the RO pure water could meet the requirements for process water in the anode mixing workshop, saving 15,915 tons of water annually through improvement
Transform RO pure water into direct water supply machine	Initially, the factory utilized direct drinking water machines that filtered and osmosed water for consumption. However, subsequent to a third-party evaluation of the RO pure water drinking report, it was revealed that the water quality of RO pure water surpassed that of the filtered water dispensed by the drinking water machines. Consequently, we renovated the pipelines and drinking water machines to utilize RO pure water (with the RO first-stage concentrated water being recycled into the cooling tower). This innovation has led to an annual water savings of 1,300 tons
Introduce flash steam recovery device for steam boilers	By introducing a flash steam recovery device for our steam boilers, we have significantly reduced the need for water replenishment, resulting in an estimated annual water savings of approximately 8,000 tons
Introduce time-controlled card insertion device in dormitories	Previously, hot water was supplied centrally and did not require card swiping for use. However, after introducing the hot water card swiping system, hot water waste was reduced by 10%

Water-saving Projects in 2023



Green Culture

Sunwoda actively responds to the National Energy Conservation Week and National Low-carbon Day, among other initiatives, deeply embracing the theme of "actively addressing climate change and fostering green and low-carbon development." We vigorously encourage its employees to engage in green and low-carbon activities, fostering a green lifestyle, enhancing awareness of low-carbon practices, and appreciating the significance of carbon emission peaking and carbon neutrality initiative.

Case Study Green Christmas · Sustainable Journey

To further engage employees in sustainable development, enhance their understanding of sustainable concepts, and cultivate a green mindset, Sunwoda organized the "Green Christmas · Sustainable Journey" indoor handmade workshop. Utilizing recycled paper, discarded yarn, empty plastic bottles, and other materials, employees created Christmas-themed decorations, thus embracing the principles of zero waste, reuse, and sustainability while celebrating an environmentally friendly Christmas.



The Christmas trees are all made of mineral water bottles collected from the park

Case Study Low-carbon Travel, Jointly Built by You and Me" Low-carbon Travel Carbon Inclusive Action and 2023 National Low-carbon Day Event

To promote a moderate, green, and low-carbon lifestyle among employees, Sunwoda launched a low-carbon travel carbon inclusive action. Participants could adopt their own personalized "low-carbon planet" and adopt green and low-carbon travel methods in their daily lives, following the operational guidelines to accumulate carbon emission reduction values. This action aimed to set an example through practical measures and contribute to building a green and low-carbon society.



Q&A event on carbon emission peaking and carbon neutrality

Biodiversity Conservation

Sunwoda remains steadfast in its commitment to biodiversity conservation, adhering strictly to the ecological protection red line. During the scoping phase of new projects, ecological impacts are meticulously assessed. Clean production practices are implemented throughout the manufacturing process, with a focus on effective pollution prevention and control measures. This approach ensures that the risks of soil and groundwater pollution are tightly managed. Additionally, Sunwoda strives to minimize the negative impact of greenhouse gas emissions, waste discharges, and resource utilization on biodiversity during its operational activities. Notably, as of the conclusion of the reporting period, none of Sunwoda's projects had a significant adverse effect on biodiversity.



Community Humanities

As a responsible employer, Sunwoda holds its employees in high esteem and is committed to fostering a workplace that is diverse, equitable, and safe. Sunwoda continuously enhances its welfare system, establishes robust talent development frameworks, and maintains a safe and healthy work environment. Harmonious labor-management relations are fostered, ensuring a positive work atmosphere.

- Workplace Well-being
- Occupational Health and Safety
- Community Public Welfare

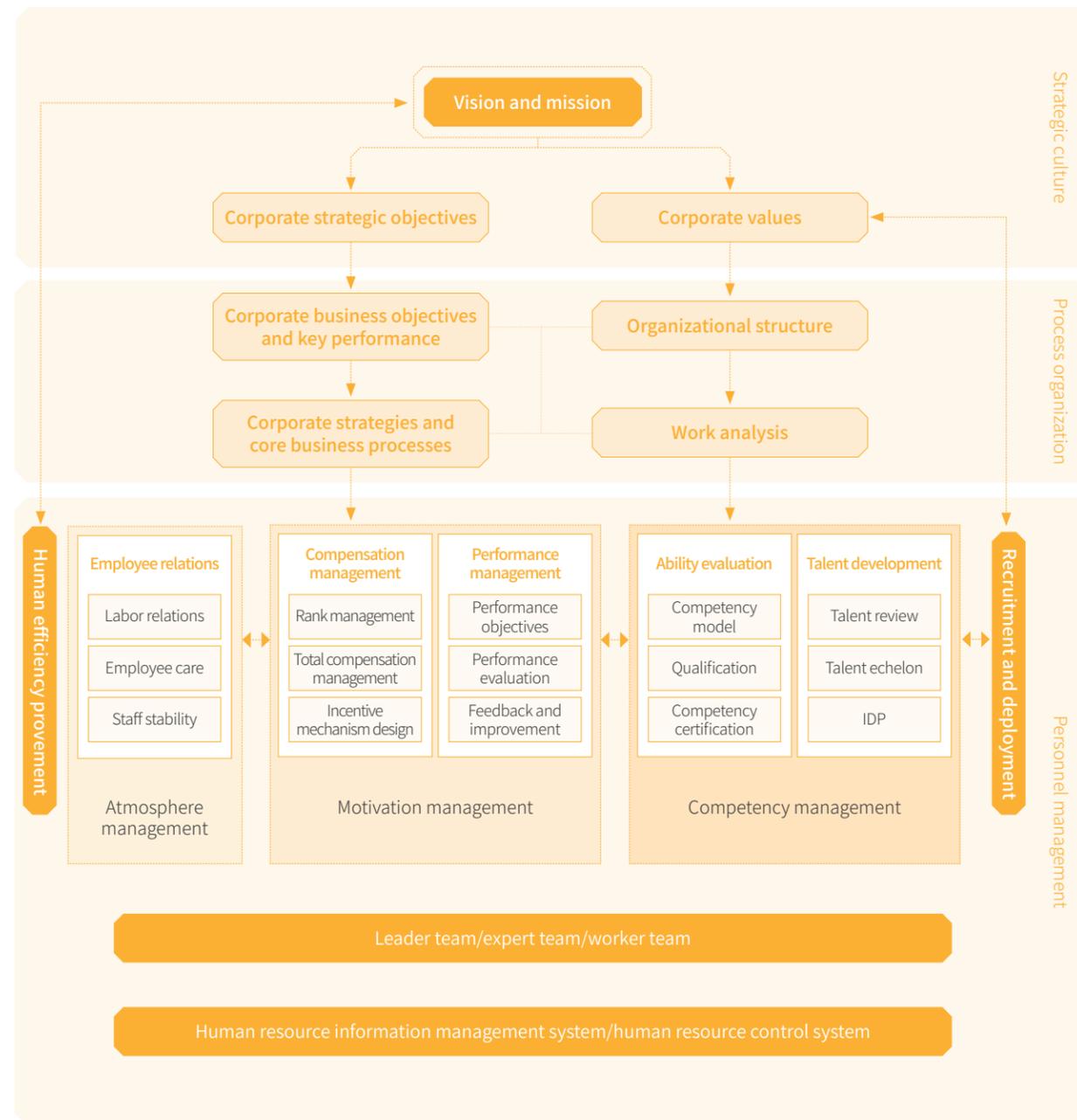
Contribution to SDGs



- Total number of employees: **47,448**
- Total training hours: **290,233**
- Number of deaths due to work-related accidents: **0**
- Amount of donations for social welfare:
RMB **14,533,000**

Workplace Well-being

Sunwoda firmly adheres to the talent concept that "takes value creation as the top priority". To embody this concept in the management of diverse systems, components, and modules, our human resource management system integrates strategic culture, process organization, and personnel management. Once talents are recruited, we utilize our salary management and performance management systems to inspire employees to generate even greater value. Additionally, we rely on our competency evaluation and talent development systems to enhance their skills and capabilities. Furthermore, Sunwoda organizes various employee welfare activities to foster a healthy and joyful workplace. Throughout the entire talent management process, our objective is to continually enhance human capital.



Human resource management system of Sunwoda

Employees' Rights and Interests

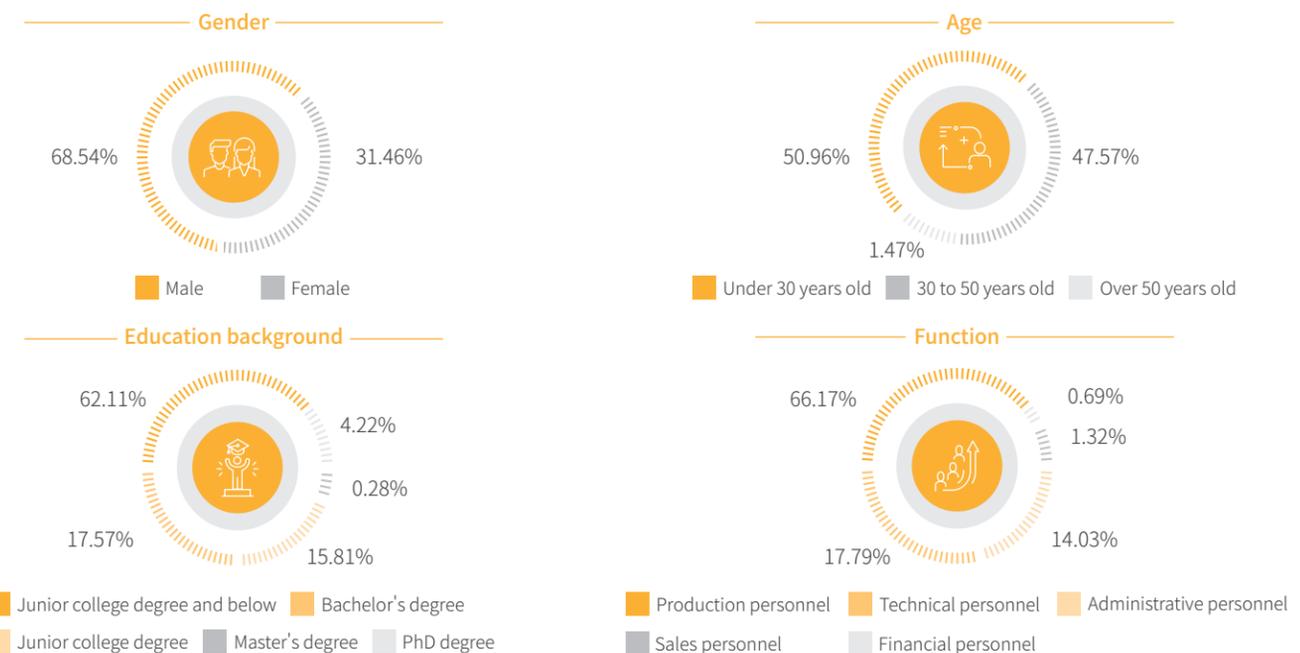
Employee Employment

Sunwoda formulates and improves human resource management systems and documents, and has signed labor contracts in accordance with the law, such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, respecting and safeguarding various legitimate rights and interests of employees.

Sunwoda pledges to uphold the fundamental principles of the International Labour Organization, safeguarding the labor and human rights of its workforce. It firmly opposes forced labor, human trafficking, and slavery. We strictly control the entry and formulate the *Regulations on the Rescue of Child Laborers, Protection of Minor Workers, and Female Workers*. These measures include verifying employees' real-name identities, conducting age reviews during employment, and respecting the legal rights of female employees such as marriage, childbirth, and equal employment opportunities. We also prohibit discrimination based on factors like race, color, religious belief, gender, age, and place of origin. To ensure discipline and establish a positive workplace culture, the Company has formulated the *Regulations on the Administration of Rewards and Punishments* to clarify disciplinary procedures for violations related to work discipline, life discipline, attendance, moral character, and other aspects. This standardization aims to enhance the professional behavior of employees and foster a correct and positive value.

Adhering to the principle of "fairness and justice", Sunwoda standardizes its recruitment and dismissal procedures. We attract and hire employees through social recruitment and campus recruitment channels. Social recruitment encompasses internal recommendations, external job websites, specialized job fairs, talent markets, and talent outsourcing services. In line with our strategic planning for a global industrial layout, we recruit local talents for overseas positions. For job vacancies in local industrial parks, we deploy professional HR specialists to introduce talents who can seamlessly adapt to the local business environment. For overseas positions, we strive to identify the most suitable candidates. Initially, we recruit employees in China, and once they are familiar with their new roles, we deploy them abroad. Simultaneously, we take measures to ensure that expatriate employees integrate smoothly into the local environment. As a provincial-level exemplary employment and poverty alleviation base, Sunwoda actively implements supporting measures. During the reporting period, we recruited 228 individuals from poverty alleviation programs, fulfilling our social responsibility of promoting employment.

Regarding working hours, Sunwoda has formulated the *Regulations on Attendance Management*, which clarify the rules for working hour management and leave entitlements. We adhere to the standard working hour system, standardize the overtime approval process, and promote orderly production management and work arrangements. This ensures the effective safeguarding of employees' rights and interests in terms of work, rest, and leave.



Sunwoda's Human Resource Structure

Employment-related awards in the past three years are as follows

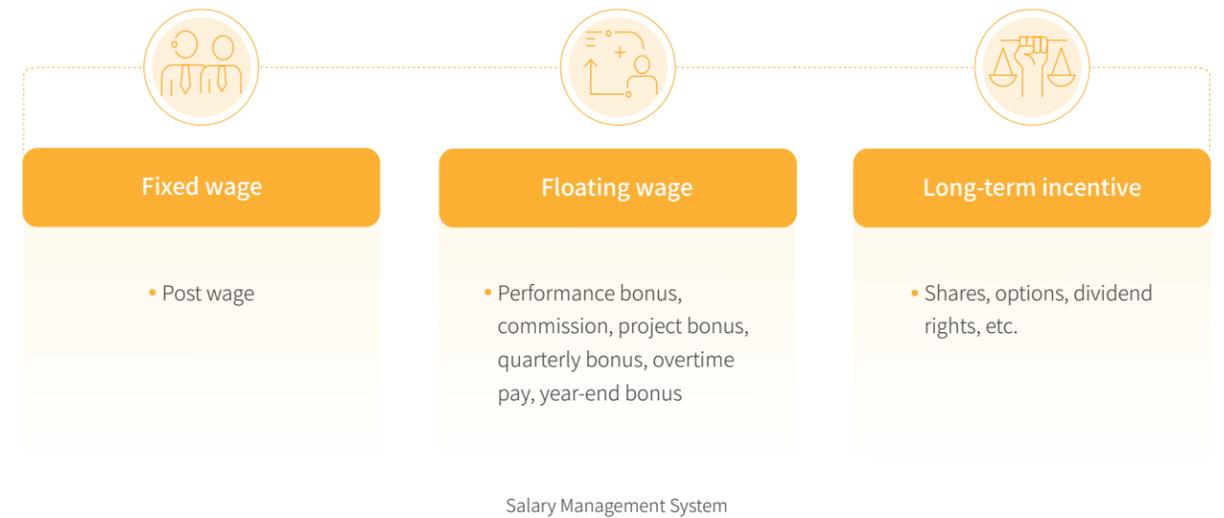
<p>2021-2022</p> <p>Best Employer of Key Enterprises in Bao'an District Bao'an District Human Resources and Social Security Bureau</p>	<p>2023</p> <p>Technology Exemplar Award by Beisen</p>	<p>2020</p> <p>Campus Recruitment Excellence Award by Dayi</p>
<p>2024</p> <p>Most Influential Employer Award by Haitou</p>	<p>2023</p> <p>Influential Employer Award by Haitou</p>	<p>2022</p> <p>Most Influential Employer Award by Haitou</p>
<p>2023</p> <p>Best Employer - Most Intelligent Manufacturing Spirit Employer by Zhaopin Limited</p>	<p>2022</p> <p>Best Employer - Most Intelligent Manufacturing Spirit Employer by Zhaopin Limited</p>	<p>2021</p> <p>China's Annual Best Employer - Best Employer in Shenzhen by Zhaopin Limited</p>
<p>2023</p> <p>Guangdong Annual Remarkable Employer Award by Liepin</p>	<p>2022</p> <p>Guangdong Annual Remarkable Employer Award by Liepin</p>	<p>2022</p> <p>King of the Seas - Most Loved Talent Employer Award by BOSS</p>
<p>2022</p> <p>Outstanding Award for Human Resources Management by 51job</p>	<p>2022</p> <p>Favorite Employer for Chinese College Students by 51job</p>	



Salaries and Benefits

To align employees' efforts with the strategic and business objectives, and to maximize the utilization of its human resources, Sunwoda has devised the *Remuneration and Benefit Management Regulations*, strictly adhering to all pertinent laws and regulations. We maintain a rigorous performance management system that integrates key performance indicators with core competencies, allowing for reasonable salary and compensation administration. This approach continuously enhances our operational efficiency and overall performance.

Leveraging a deep understanding of market trends, employees' economic expectations, and our annual financial growth, Sunwoda scientifically adjusts employee salaries to ensure they are competitively positioned against industry peers. We have implemented a comprehensive incentive-based compensation system for all staff, including certain general workers (specifically, our frontline, grass-roots employees). This system is continuously refined based on actual business needs and job responsibilities, ensuring that performance-driven incentives are universally applied across the organization.



Sunwoda offers its personnel the statutory five insurances and one housing fund, ensuring comprehensive welfare. For interns, retired employees returning to work, and other personnel, Sunwoda supplements these benefits with commercial insurance policies, including accident and life insurance, to further safeguard workers' welfare. Additionally, we strictly adhere to China's legal working hours and holiday regulations, legally safeguarding employees' rights to rest and leisure. Recognizing the evolving needs of its workforce, we optimized its leave policies for childcare and care leave for only children during the reporting period, further enhancing employee welfare. By the end of the reporting period, Sunwoda achieved a 100% coverage rate for the five social insurances and one housing fund among its regular employees, with over 40,000 individuals insured.

Moreover, Sunwoda remains committed to enhancing its employee stock ownership plan and equity incentive system. This comprehensive program currently covers 4,563 mid-to-high-level core personnel and management personnel. During the reporting period, we implemented three incentive plans, granting 8.584 million restricted stocks of the second category to 2,285 employees and 17.17 million stock options to 1,052 employees. The employee stock ownership plan attracted a total investment of RMB 200 million from 1,226 employees, reflecting the dedication to employee welfare and shared prosperity.

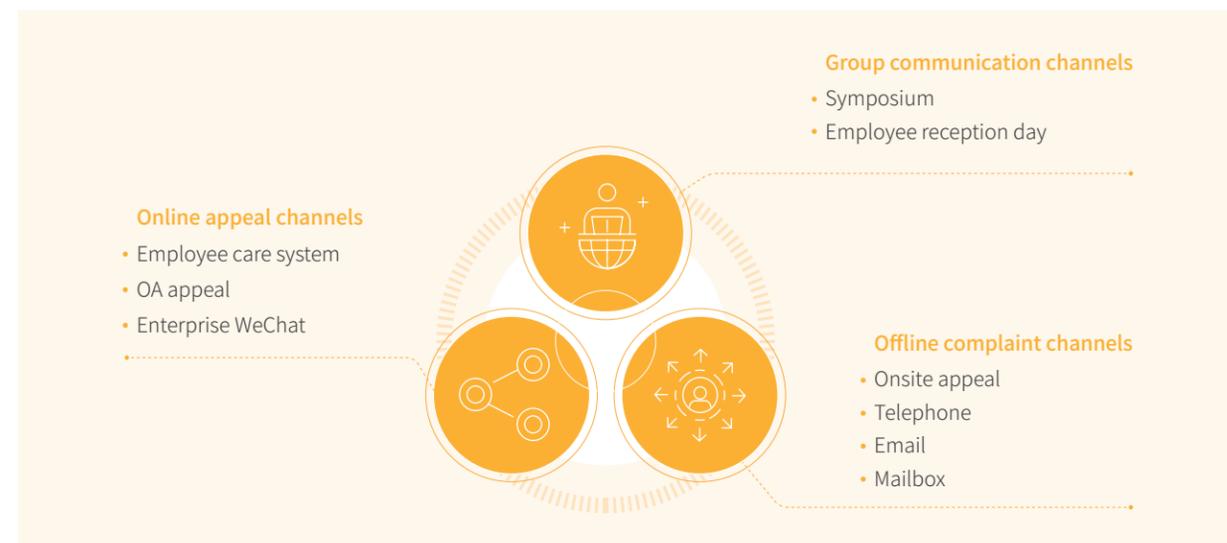
Case Study Introduction of the Points-Based Welfare Platform "Sunwoda Welfare"

Given the vast employee population within the Company, coupled with the growing trend among younger workers towards personalized gift preferences, the traditional approach of distributing welfare gifts for festivals proved increasingly inadequate. The monotonous nature of these gifts failed to meet the diverse needs of employees. Furthermore, the lengthy preparation cycle for these gifts entailed significant manpower resources and often led to unnecessary costs. To address these challenges and maximize the impact of welfare benefits, while enhancing employee satisfaction, we introduced the innovative Sunwoda Welfare points-based welfare platform. This platform revolutionizes the delivery of employee welfare by leveraging a points system. During festivals or special events, points are credited to individual employee accounts, enabling them to select and redeem gifts of their choice from the platform, based on preset point values.

Democratic Management

Sunwoda has implemented regulations such as the *Management Regulations on Freedom of Association and Collective Bargaining* and the *Sunwoda Staff Congress Management System* to uphold the rights of all employees to freely organize and engage in labor unions and collective bargaining, fostering democratic supervision, and safeguarding the legitimate rights and interests of its workforce. The collective agreements formulated by Sunwoda undergo a rigorous process, encompassing topic solicitation and discussion, consensus between labor and management, deliberation and approval by the staff congress, signing, announcement, and submission for review and recordation. These agreements explicitly outline crucial employee interests, encompassing compensation, insurance and welfare, as well as labor safety and health. Sunwoda pledges non-interference in any legitimate organizations formed by its employees. The recently signed collective agreement took effect in March 2022 and is valid for a term of three years, with provisions for timely initiation of collective bargaining plans in response to any policy, regulation, or rule adjustments.

Sunwoda adheres to a "human-centered" management philosophy and strives to establish diverse communication platforms for our employees while maintaining seamless communication channels. During the reporting period, Sunwoda undertook a thorough review of our employee grievance channels. Firstly, we prioritized the establishment and promotion of these channels, encompassing all employment stages, from onboarding to service delivery and departure. This was achieved through various means, including posters, care cards, OA portals, corporate WeChat, and other platforms. Secondly, we enhanced the promptness of grievance handling to ensure that all cases are resolved within three working days. Thirdly, we continuously monitored grievance data and instituted a reporting and corrective mechanism for employee grievances. Furthermore, Sunwoda placed emphasis on improving the handling of external employee complaints and officially formed a dedicated improvement team for this purpose. We established an external complaint control mechanism that encompasses external complaint monitoring, supplier management, process optimization, and implementation.



Employee Appeal channels

During the reporting period,

Settlement rate for labor dispute cases

100 %

Mediation success rate

100 %

Arbitration success rate

75 %



Posters for Employee Appeal Channels

Employee Care

Sunwoda sincerely cares for its employees in all aspects of work, life, and beyond, striving to maintain a harmonious balance between their professional and personal pursuits. We prioritize the development of employee activities, organizing diverse care programs annually, and fostering a cozy, harmonious, and convenient workspace that fosters a positive work culture.



Case Study

The 5th Cultural Festival of Sunwoda

Since 2019, Sunwoda has been hosting unique cultural festival events, and this year, we commemorate the momentous 5th anniversary. To further elevate the development of our corporate cultural identity, enabling our rich cultural heritage to flourish, persevere, and expand, we aim to enhance employees' cultural pride and confidence. Additionally, we strive to strengthen team cohesion and creativity, showcase the potency of our core values, and support our business growth. As such, Sunwoda proudly presents the "Gather Strength, Steadfastly Advance" 2023 Sunwoda 5th Cultural Festival, encompassing a range of activities, including innovation challenges, singing competitions, hiking excursions, and much more.



"Extraordinary" Singing Competition



"Hundred Teams Challenge" Thousand-Person Hiking Event



Cultural Anniversary Gifts



Case Study

2023 Sunwoda National Games

In pursuit of fostering a vibrant corporate culture amidst the new energy era, Sunwoda organized the 2023 Sunwoda National Games. This initiative aimed to embed our core values deeper within the organization, instilling a stronger sense of purpose and belief among our employees. It also sought to enhance collaboration across regional departments, elevating the health awareness and well-being of all team members. Encouraging employees to embrace challenges and changes head-on, the Games nurtured a spirit of "faster, higher, stronger" in sports and business alike, further igniting frontline motivation and core competitiveness. Ultimately, these efforts contributed to the steady and positive growth of Sunwoda.



Fun Events



Tug-of-War Event



Case Study Dietary Service Oversight Committee

Recognizing the importance of maintaining high hygiene standards in our cafeteria and ensuring the dietary well-being of our employees, Sunwoda established the Dietary Service Oversight Committee. Serving as a liaison between our team members and the cafeteria suppliers, this committee oversees various aspects of cafeteria operations, including daily management, environmental hygiene, food safety, meal quality, and the service attitude of cafeteria staff. Its objective is to continually improve the overall quality of meals and environmental conditions, ultimately enhancing employee satisfaction with our dietary services.

Diverse Employee Activities



Mother's Day



Women's Day



Annual Recognition Gala



"Tongxin Xieli" Family Open Day



"Xinkang Tijian" Public Welfare Hiking



Delivering Coolness in the Heat



"Xinxin Xiangyin" Social Friendship Event

Development and Training Talent Cultivation System

Aligned with our overarching development strategy and human resource framework, Sunwoda has established a dedicated training center as a cornerstone for building a robust training system. Internally, this center is pivotal in supporting the implementation of our strategic objectives, fostering business growth, and augmenting our human capital. It accomplishes this by providing comprehensive training to all employees and managers, ensuring they are equipped with the necessary skills and knowledge. Sunwoda organizes and executes targeted leadership and skill enhancement programs tailored for different employee types and levels. These include, but are not limited to, grass-roots employee training, middle-management development workshops, and executive-level seminars. Additionally, empowerment training is conducted for both managers and supervisors, emphasizing the importance of delegation and effective leadership. Externally, we extend our training expertise to our customers and partners, offering comprehensive technical and managerial training solutions that align with our business development objectives and customer service ethos. This ensures that our stakeholders benefit from our expertise and remain competitive in their respective fields. To further enhance the effectiveness and efficiency of our talent management efforts, the Company has embarked on IT integration and data construction initiatives within its talent cultivation chain.

During the reporting period,

The total number of employees trained

30,199

The total training hours

290,233

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

Guarantee Measures: Digital Learning Platform + Training Base Construction + Skill Evaluation System

Combination of Industry and Education Model

Dual System Junior College Class	Jointly organized a full-time junior college modern apprenticeship pilot class with Shenzhen Vocational and Continuing Education College and Guangdong Communication Polytechnic
Dongguan University of Technology Excellent Engineer Program	Jointly carried out the "Lithium Battery Industry Talents" joint training program with Dongguan University of Technology
Dream Craftsman Class	Jointly developed a modern apprenticeship pilot project with Shenzhen First Vocational School
Practical Training Base Construction	Established standardized and modular training venues in various company bases to meet the practical training and internship needs of college students, vocational training for job seekers, empowerment and promotion for in-service employees, and dual-teacher training for college teachers

Occupational Skill Level Recognition

Sunwoda actively explores effective modes of cultivating skilled talents and proactively responds to the government's initiative for improved professional skills ranking identification. The Company strongly supports and encourages all its employees to actively engage in degree courses and external qualification and competency certification assessments. Vocational skill level recognition is conducted for a range of positions, including battery manufacturers, mechanical equipment installers, electrical equipment installers, fitters, purchasers, quality inspectors, and vocational trainers. Employees who successfully pass the recognition process are eligible for corresponding subsidies and rewards from Sunwoda, aiming to facilitate their continuous learning and professional growth.

As of the end of the reporting period,

Obtained evaluation qualifications in five regions including Shenzhen, Huizhou, Nanchang, Lanxi, and Nanjing. Type of work can be evaluated

12

During the reporting period,

The number of individuals have been recognized as part of the 2023 social training and evaluation organization (the main training unit in the "Industry Education Evaluation" chain) in Guangdong Province during the training and coaching period

2,849

Case Study VR Efficient Training System

Sunwoda has established a dedicated VR course development team. Leveraging the EVC battery cell production line as the foundation for modeling, we have incorporated VR technology with the fundamental principles of "learning, practicing, and assessing" to create an innovative VR-based training system for new energy lithium batteries. This system aims to facilitate the rapid onboarding of new employees in crucial positions, thereby enhancing the overall effectiveness of our training programs.



VR Training - Process Selection Interface

Case Study Empowerment Training for Managers

During the reporting period, Sunwoda launched a six-month management skills development program exclusively for all group manager-level employees. This program combines learning, transformation, activities, elimination, and promotion, while integrating executive coaching and topic discussions to empower trainees in mastering management tools and undergoing transformation. A total of 355 manager-level employees participated, with 304 successfully completing the course, achieving a graduation rate of 85.6%. The average training duration per individual was 35 hours.



Empowerment Training for Manager-level Xinhang Class

Case Study Rising Star

To ensure that newly recruited graduates seamlessly adapt to Sunwoda's corporate culture and operations, we focus on cultivating their general knowledge and skills, emphasizing professional awareness. Additionally, we hone their positional-specific technical abilities to elevate their professional standing and facilitate a smooth transition from campus to the workplace.



We have introduced a learning map titled "Six Magic Swords in the Jianghu" on our learning platform. This map outlines six major challenges that graduates must overcome, escorting their transition to professionalism

Occupational Health and Safety

Sunwoda adheres strictly to pertinent laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Fire Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. During the reporting period, we revised our *Environmental and Safety Manual*, broadened the application scope of our management system, and clarified the responsibilities and authorities of various functional departments. Aligning with ISO 45001 standards, we continuously enhanced Sunwoda's occupational health and safety management system and advanced the digital transformation of safety production.

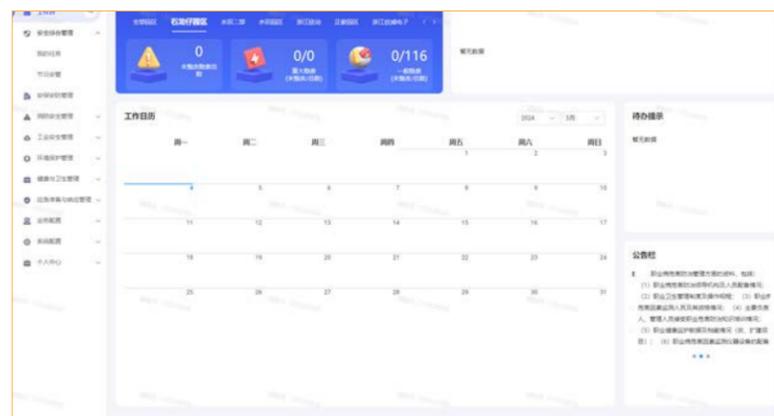
As of the end of the reporting period, Sunwoda and 16 subsidiaries had achieved ISO 45001 Occupational Health and Safety Management System Certification. 4 subsidiaries obtained Work Safety Standardization Certificates of level 2 or level 3, while another three subsidiaries were announced as level 3 standardization companies.



The company's occupational safety PDCA management process

Case Study Digital Transformation of Work Safety

Sunwoda has expedited the digital revolution in workplace safety, significantly enhancing its emergency response capabilities. During the reporting period, we launched our EHS digital platform. This platform features modules such as "dual-prevention mechanism", "holiday safety management and control", and "special equipment and certificate management" all equipped with automatic information retrieval, updating, and task reminders.



EHS Management Platform

The investment in work safety is
RMB **46,025,100**

To maintain seamless alignment with our job evaluation system and provide oversight to workshop operations regarding work safety, fire protection, and occupational health, Sunwoda has established a dedicated Work Safety Committee. The chairman of our Board of Directors assumes the role of Work Safety Committee chairman, while the general managers of each subsidiary enterprise carry the primary responsibility for ensuring workplace safety. The Work Safety Committee holds ultimate accountability for the group's comprehensive safety management system, overseeing the overall coordination and guidance of the enterprise's work safety initiatives.



Safety Production Management Governance Structure

Work Safety Management

During the reporting period, death toll from work-related accidents
0

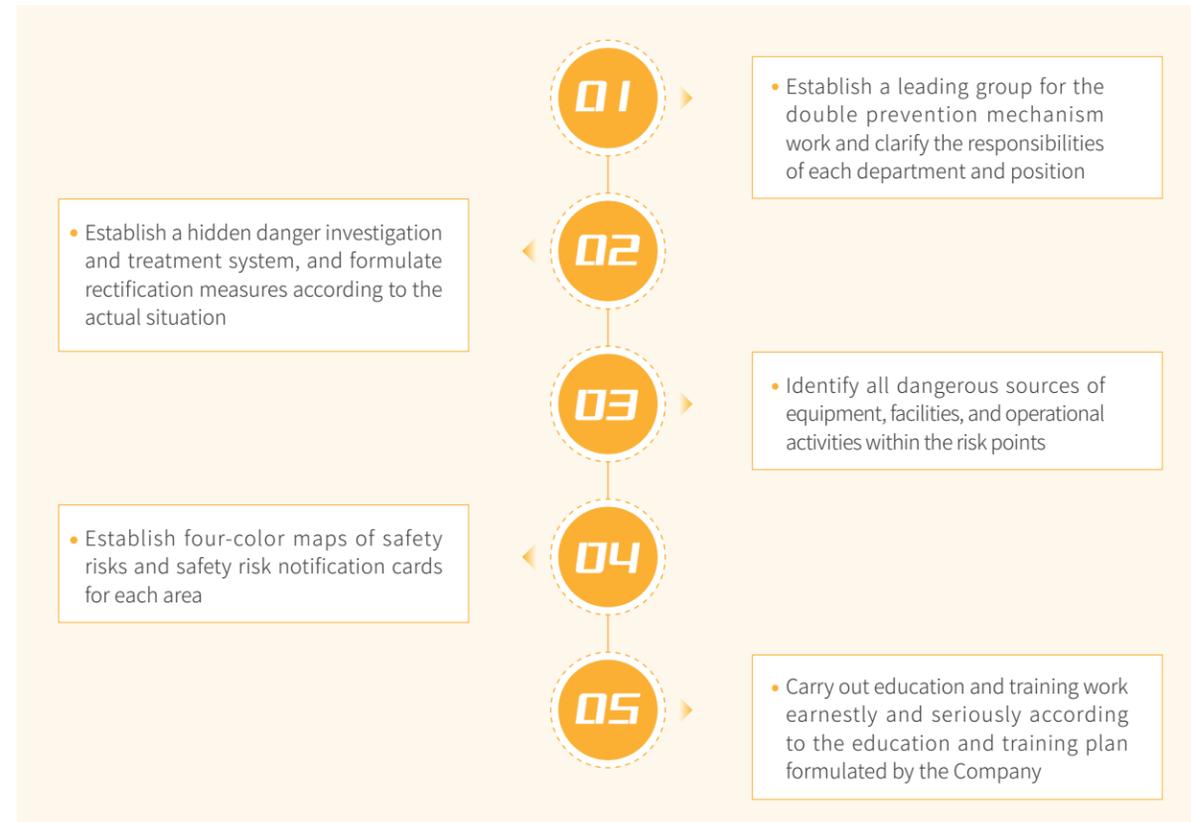
Goals of Work Safety

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

Regular safety inspections serve as the cornerstone of Sunwoda's safety management. We have established a monthly safety inspection system to ensure thorough audits of production equipment and operational procedures for safety each month. Prior to festivals, we conduct comprehensive safety inspections to prepare for potential production peaks during these periods. Special safety inspections are focused on specific equipment or operational procedures. Through collaborative joint safety inspections among various departments, we discover and address issues, optimize resource allocation, and maximize management efficiency.

Identification of Safety Risks

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



Work Safety Emergency Management

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

During the reporting period, Sunwoda expanded its emergency management strategy to ensure that it included response measures for extreme weather conditions such as typhoons and thunderstorms. We planned the storage locations of emergency supplies, such as evacuation routes, stairs, and safety exits, and clearly marked the operational procedures in emergency situations to ensure they were located at key evacuation nodes, thereby enhancing the management of emergency supplies.

During the reporting period

Emergency drills

582

No. of participants

59,327



Fire-extinguishing supplies are placed in prominent positions on the main passageways of the workshop, with corresponding signs posted



2023 Fire Safety Month Skills Competition

During the reporting period

Training rate for risk and protective measures in each stage reached

100 %

Safety inspections

2,762

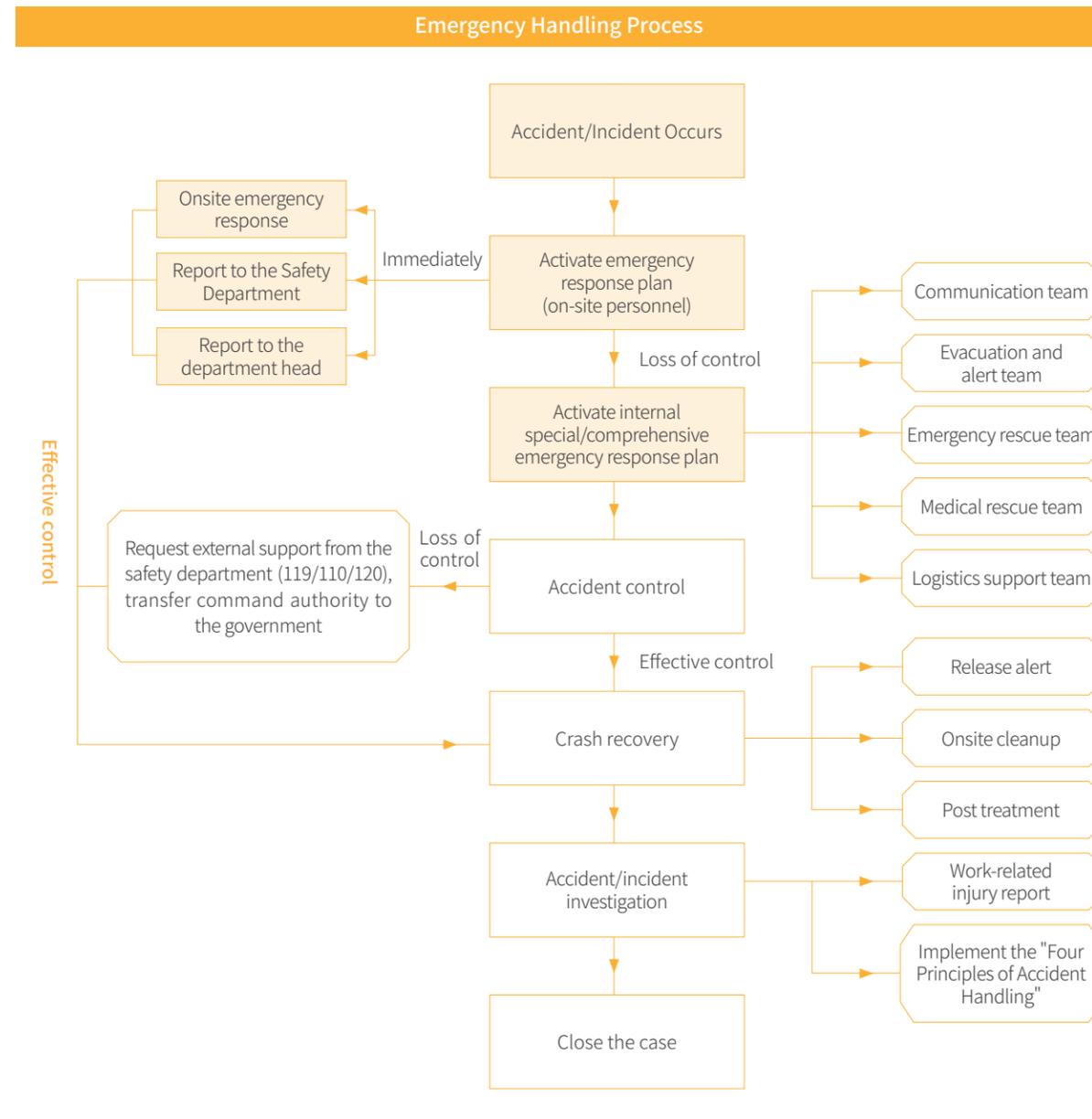
Safety risks rectified

18,499



Safety Accident Management

In terms of safety accident management, Sunwoda has further optimized internal regulations such as the *Detailed Rules for the Implementation of Work Safety Accidents and Incidents* and the *Detailed Rules for the Implementation of Rewards and Penalties for Work Safety*, strictly regulating the safety accident handling management work and reducing the risk of repeated accidents.



Safety Culture Construction

To enhance the safety awareness and consolidate and maintain a good atmosphere and situation for work safety, Sunwoda actively plans and promotes various work related to safety culture in accordance with the requirement that "all employees should regard work safety as a crucial aspect in their mindset and thinking".

Safety Knowledge Education

Upholding the core belief of safe development, Sunwoda strives to enhance the safety literacy of all its employees, ensuring that they understand and strictly adhere to relevant work safety regulations. Through the establishment of a multi-channel and multi-format knowledge dissemination framework, we provide employees with seamless access to safety knowledge, fostering a deeper sense of safety "acquisition", heightening their vigilance towards safety issues, nurturing a robust safety mindset, and strictly adhering to the basic norms of work safety.

Education and Promotion Channels	Education and Promotion Performance
Safety Center Official Account Operation	• 22 safety-themed posts were published, covering a total of 60,516 people
Video/Print Advertisements	• 6 safety-themed videos, 7 posters, 4 bulletin board posters, and 2 desktop wallpapers were released, all industrial parks of the group
Safety VI	• 233 safety signs were standardized

Work Safety

To further cultivate a positive safety culture and align with the safety theme of "everyone speaks about safety and everyone knows how to respond to emergencies", Sunwoda organizes diverse activities such as competitions, quizzes, promotional events, commendations, cultural gatherings, literary works, and lectures. These endeavors aim to guide employees in enhancing their focus on safety matters and fostering a solid safety awareness.

Activities	Activity Performance
Safety Knowledge Competition	120 teams and 360 participants registered for the competition
Safety Theme Short Video Contest	22 videos were submitted, and 10 outstanding works were selected
Offline Safety Prized Q&A Session	26,000 people participated in the Work Safety Month and Fire Safety Month
Firefighting Skills Competition	206 teams and 733 participants registered for the competition
Online Safety Exam for All Employees	20,998 people passed the online safety exam



Work Safety Training

Safety training serves as a crucial avenue for enhancing our employees' safety consciousness and proficiency. Committed to fulfilling our primary responsibility for workplace safety and effectively bolstering our workforce's safety awareness, Sunwoda has established an integrated online and offline training (examination) platform. We conduct training in accordance with pertinent laws and regulations, ensuring comprehensive coverage of participants and around-the-clock access to training resources.

- 

• Three-Tier Safety Education for New Recruits: Upon recruitment, new employees undergo a three-tier safety education program that gradually progresses from the company level, through the department level, to the individual position level. This structured approach ensures that every new member of our team acquires a profound understanding and mastery of safety knowledge.
- 

• Off-Job/Job Transfer Safety Education: Sunwoda also provides tailored safety education for employees who vacate their positions or undergo job transfers. This customized training equips them with the necessary knowledge to adapt to their new working environments and requirements.
- 

• Monthly Safety Education: As a regular training activity, monthly safety education keeps our employees' safety knowledge up to date and continually refined.
- 

• Pre- and Post-Work Safety Promotion: This initiative aims to reinforce our employees' safety awareness and maintain their vigilance throughout their workday.

During the reporting period

Total safety training hours for employees

733,180

Total number of persons trained

120,587

Case Study Sunwoda 2023 Safety Knowledge Competition

The Sunwoda 2023 Safety Knowledge Competition, themed "Everyone Talks About Safety, Everyone Knows How to Respond to Emergencies", consists of three major stages: preliminary round, semifinal, and final. Teams consisting of three individuals participate in the competition, organized independently by each department. This event garnered the participation of 120 teams, comprising a total of 360 eager contestants.



Sunwoda 2023 Safety Knowledge Competition

Occupational Health Protection

Sunwoda holds the physical and mental well-being of its employees in utmost importance. To effectively mitigate and manage occupation-related health hazards, and guarantee the tangible safeguarding of employees' occupational health rights and interests, the Company has instituted a comprehensive suite of stringent management mechanisms and enforcement regulations. These include pivotal documents such as the *Occupational Hygiene Management Regulations*, the *Occupational Hygiene and Labor Protection Management Regulations*, and the *Implementation Rules for the Control of Labor Protection Supplies*. All these measures aim to expedite the promotion and implementation of robust occupational health protection initiatives.

During the reporting period

Occupational physical examination rate

100

 %

Cases of occupational diseases

0

Management mechanism

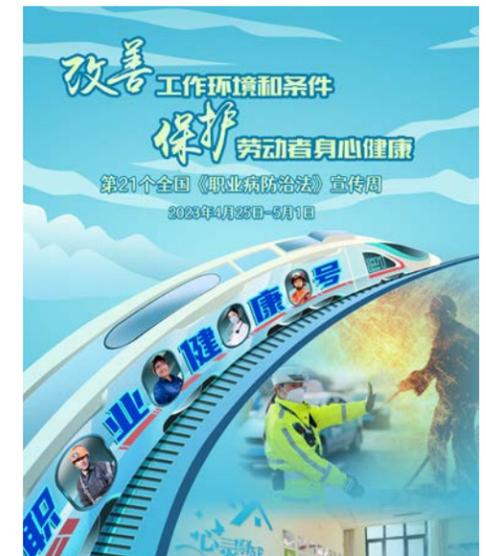
- Identification: Establish a list of hazard factor identification and update it regularly every year.
- Monitoring: Regular testing of occupational disease hazard is conducted every year. For positions with occupational disease hazard, physical examinations are strictly carried out in accordance with the requirements of the Technical Specification for Occupational Health Surveillance (GBZ188).

Management measures

- Utilize IT platforms to implement online management of occupational health examinations.
- Optimize the PPE usage plan, strictly require "three certificates and one standard" control for special labor protection equipment, and achieve a 100% PPE wearing rate for occupational disease hazard positions.

Promoting Occupational Health Awareness and Enhancing Safety Measures

To further enforce the implementation of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and uphold its corporate duties, Sunwoda has embarked on a series of occupational health and safety initiatives. These activities are centered around the theme of "Improving Work Environment and Conditions to Safeguard Workers' Physical and Mental Well-being". Leveraging its official WeChat platform, Sunwoda aims to heighten employees' awareness of occupational hazards and foster a proactive approach towards self-protection, thereby ensuring the protection of workers' occupational health rights and interests.



Poster for the 2023 Occupational Disease Prevention and Control Law Promotion Week

Enhancing Protective Measures and Elevating Occupational Health Standards

To facilitate a safer production environment, minimize work-related accidents, eliminate the occurrence of occupational diseases, and effectively safeguard the safety and health of employees, Sunwoda has conducted comprehensive training for all its personnel. This training empowers employees with the necessary knowledge and skills, enabling them to optimize the safety management philosophy and contribute towards creating a healthier and safer work environment.

Case Study Implementation of the Shenzhen Work-related Injury Prevention Training Project

During the specified reporting period, Sunwoda represented by its Safety Center, submitted an application to the Shenzhen Social Security Bureau for participation in the "Shenzhen Work-related Injury Prevention Project". Following rigorous municipal selection, the Company proudly emerged as a finalist. After nearly a year of diligent project operation and maintenance, remarkable achievements have been realized

- Successfully certified 5 trainers
- Developed a comprehensive set of high-quality courseware encompassing 5 courses specifically tailored for work-related injury prevention
- Produced 2 comprehensive training manuals dedicated to work-related injury prevention
- Conducted 184 training sessions, achieving a satisfaction rate of 92% and a knowledge absorption rate of 89.4%

Community Charity

Sunwoda remains steadfast in its original aspiration, persevering in its forward momentum and never forgetting its commitment to contributing to society. Upholding the philosophy of "gratitude, integrity, charity, and harmony", the Company established the Shenzhen Sunwoda Charity Foundation in 2012 to provide charitable services in poverty relief, education support, patient care, medical assistance, and disaster relief and support the development and advancement of charities, aiming to "foster the spirit of charity through every act of kindness, raise public awareness, and foster a harmonious society". In 2023, the Company donated RMB 14.533 million, with a total donation amount of more than RMB 63 million over the years.

Awards and Recognition

Company Awards

During the reporting period, Sunwoda's active participation in social welfare initiatives has garnered widespread recognition. The Company has been honored with the title of "Shenzhen Voluntary Blood Donation Public Welfare Unit", and its name has appeared on the 2022 Shenzhen Charity Donation List of Enterprise Donations. Additionally, Sunwoda has received esteemed accolades such as "Caring for People's Livelihood and Demonstrating Corporate Responsibility" and "Star of Public Welfare".



Foundation Awards

During the reporting period, the Sunwoda Charity Foundation received social honors such as the title of "Flood Control Pioneer", the title of "Outstanding Unit of the Glorious Cause", and a transparency index score of 100 from China Foundation Transparency Index. Additionally, Sunwoda became the president unit of the second council of the Shenzhen Foundation Development Promotion Association, a member unit of the sixth council of the Shenzhen Social Organization Federation, and a member unit of the Shenzhen Charity Federation.



President Unit of the Shenzhen Foundation Development Promotion Association

Advanced Unit of the Glorious Cause

Rural Revitalization

During the reporting period, Sunwoda actively responded to the national and local government's strategic deployment for rural revitalization. Aligning with our company's planning and actual situation, we took concrete actions to assist rural communities. We purchased fruit and agricultural products worth RMB 300,000 from Gansu Province and Xinjiang Province, supporting local farmers and contributing to the economic development of rural areas. Additionally, we participated in community construction work, helped consolidate the achievements of poverty alleviation, and actively assisted in rural revitalization efforts, aiming to bring prosperity and vitality to rural communities.

Case Study Implementation of the Shenzhen Work-related Injury Prevention Training Project

To create a haven for elderly villagers to enjoy peaceful shade and relaxation, and to establish a vibrant learning and playground for children, the foundation, alongside other compassionate organizations, collaborated to initiate the construction of the inaugural community garden, named "Farming and Reading Garden," within the Shenzhen-Shanshan Special Cooperation Zone. This endeavor aimed to enhance the quality of life for villagers without altering the land's ownership or character. Through the government's land regularization measures, self-funded initiatives, and the mobilization of social volunteers, villagers, and children who enthusiastically adopted green plants, planted flowers and vegetables, a once overgrown and sewage-polluted wasteland was transformed into a vibrant community garden.



The First Community Garden "Farming and Reading Garden" Project

Social Charity

Education Assistance Program

Sunwoda firmly believes that knowledge holds the key to overcoming poverty, and we are deeply committed to advancing education and its associated progress. Our dedication extends to supporting the rejuvenation of our nation through the power of science and education. To this end, we have established the Sunwoda Future Education Assistance Program, specifically the "Dream Builder and Navigator" Sunwoda Scholarship and Bursary Plan. This initiative aims to establish Sunwoda scholarships and bursaries across primary and secondary schools, as well as higher education institutions, thereby encouraging students to pursue their academic journey with diligence and a spirit of innovation. As of the reporting period's conclusion, the Sunwoda Future Education Assistance Program has provided cumulative support to 6,267 teachers and students.

School	Project Name
Tongren No.1 Middle School in Guizhou Province	Sunwoda Future One-on-One Scholarship Project
Guantian School	Sunwoda Diligent Learning and Brave Scholarship Project
Boluo Middle School	Sunwoda Inspirational Scholarship
Dongguan University of Technology	"Outstanding Engineer" Training Program
South China University of Technology	Sunwoda New Energy Technology Innovation Scholarship Project Sunwoda Cup · South China University of Technology Challenge Cup Series Competition Support Program
Dalian University of Technology	Sunwoda-Huanghai New Energy Technology Innovation Scholarship Project Sunwoda-Huanghai Excellent Teacher and Counselor Award Sunwoda-Huanghai Cup-iCAN Innovation and Entrepreneurship Competition Sunwoda-Huanghai Club Support Program

Case Study "Sunwoda-Huanghai Cup" 2023 Liaoning Province iCAN Innovation and Entrepreneurship Competition and the Finals of the 17th iCAN University Student Innovation and Entrepreneurship Competition in Liaoning Province

With the aim of elevating the standards of innovation and entrepreneurship among university students and igniting a passion for innovative skills among the younger generation, the "Sunwoda-Huanghai Cup" 2023 Liaoning Province iCAN Innovation and Entrepreneurship Competition and the Finals of the 17th iCAN University Student Innovation and Entrepreneurship Competition in Liaoning Province were held at the Innovation and Entrepreneurship Institute of Dalian University of Technology on October 14, 2023. This event, sponsored by the Liaoning Provincial Department of Education and organized by Dalian University of Technology, received generous support from the Sunwoda Charity Foundation. Concurrent with the competition launch ceremony, the iCAN 2023 Innovation Exhibition was also held, featuring 126 participating teams from 29 universities who qualified for the finals.



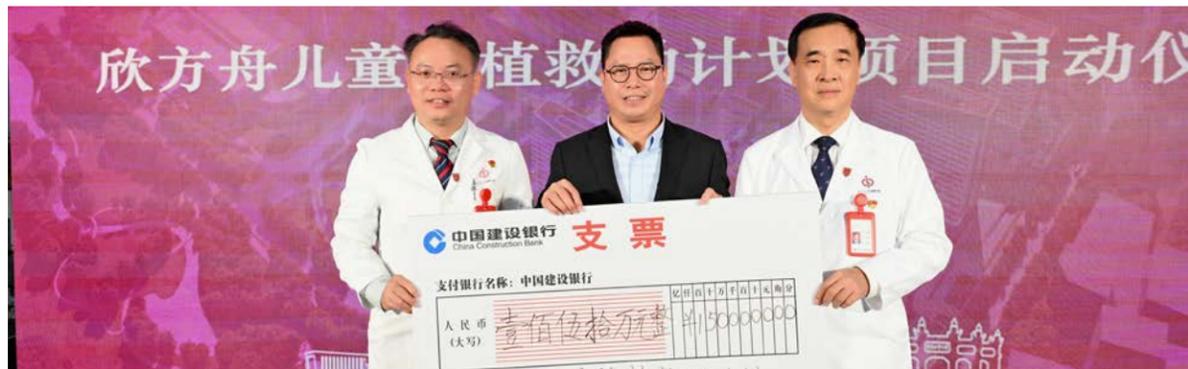
"Sunwoda-Huanghai Cup" 2023 Liaoning Province iCAN Innovation and Entrepreneurship Competition and the Finals of the 17th iCAN University Student Innovation and Entrepreneurship Competition in Liaoning Province

Patient Relief

Sunwoda is deeply committed to patient relief efforts and implements various public welfare initiatives such as the "Sunshine Protection" program, "Tongxinyuan Children's Care Space Project", and the "Sunwoda Fangzhou Children's Transplant Relief Program", providing support in areas such as childcare, family assistance, and medical relief.

Case Study Xin Fangzhou Children's Transplant Relief Program

During the reporting period, we launched the "Xin Fangzhou Children's Transplant Relief Program" with the sole aim of assisting children suffering from hematological diseases who are being treated at Zhongshan Seventh Hospital but are unable to afford hematopoietic stem cell transplantation due to financial constraints. This program strives to alleviate the financial burden on these children's families, ensuring that more children with hematological diseases can undergo transplantation treatment in a timely manner and receive prompt medical attention.



Chairman Wang Wei representing Sunwoda donated RMB 1.5 million to Zhongshan Seventh Hospital to provide assistance to children with hematological diseases who are experiencing financial difficulties while seeking treatment at the hospital

Case Study Children's Care Space Project

The foundation has been a steadfast supporter of the establishment of two children's care projects, namely the "Tongxinyuan" and the "Qing Wa Wa," situated at the Shiyao People's Hospital in Shenzhen's Bao'an District and the Pediatrics Department of the Seventh Affiliated Hospital of Sun Yat-sen University, respectively. These projects have been operational for over 850 days, successfully conducting 174 activities and serving a cumulative total of 7,390 children. During the reporting period, we organized various child-centered events designed to bring joy and happiness to hospitalized children. These included the "Caring for Children's Hearts and Navigating Their Protection" storybook reading event for Children's Day, the educational "Journey Through the 24 Solar Terms" event, the informative "National Toothbrush Day" event, and the festive "Sharing the Joy of Mid-Autumn" event. All these activities aimed to enrich the hospital stay of the children and provide them with a sense of normalcy and fun.



The Theme Painting Activity for the National Low-Carbon Day at the Pediatrics Department of the Seventh Affiliated Hospital of Sun Yat-sen University



The "Tongxinyuan" at Shiyao People's Hospital Celebrating Mid-Autumn Festival

Emergency Relief

Sunwoda actively participates in disaster relief and public welfare efforts. We make donations to support rescue operations, provide daily necessities for those affected, facilitate centralized resettlement, and engage in post-disaster reconstruction and other related endeavors.

Case Study Gathering Strength with "Sunwoda" to Rush to the Aid of Gansu Sunwoda Earthquake Relief Action

On December 18, 2023, at 23:59, a 6.2-magnitude earthquake struck Jishishan, Linxia Prefecture, Gansu Province. Immediately following the earthquake, Sunwoda swiftly responded to the situation and launched the "Gathering Strength with 'Sunwoda' to Rush to the Aid of Gansu - Sunwoda Earthquake Relief Action". Through charitable donations and sales, we rallied the support and love of the Sunwoda family, extending sincere wishes to the affected individuals. A donation of RMB 341,900 was donated to local public welfare organizations in Gansu, specifically to support post-disaster reconstruction efforts in Jishishan County, Linxia Prefecture, Gansu Province.



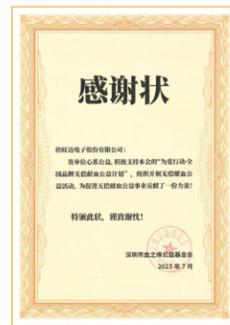
Donation Certificate

/ Community Charity

By establishing donation and volunteer service platforms, Sunwoda organizes and executes public welfare activities, serving and contributing to society, and fostering a warm and harmonious social atmosphere.

Case Study Sunwoda 2023 Youth Blood Donation Public Welfare Campaign - Sunwoda Public Welfare Blood Donation Day

During the reporting period, Sunwoda proudly launched the "Sunwoda Public Welfare Blood Donation Day - 'Roll up Your Sleeve for Love, Sunwoda 2023 Youth Blood Donation Public Welfare Campaign.'" This initiative aimed to encourage our employees across various Sunwoda campuses to actively respond to the urgent need for unpaid blood donations from various city blood centers and stations, thereby contributing significantly to the noble cause of unpaid blood donation in China. This campaign witnessed the enthusiastic participation of young individuals from our five primary Sunwoda campuses, who united in the spirit of love by rolling up their sleeves. Impressively, a total of 272 employees participated, with 214 successful donations amounting to a collective blood volume of 76,600ml. This remarkable effort was a timely support during the blood stations' critical period of blood shortage.



Scene of the Public Welfare Blood Donation Day

Certificate of Appreciation from Shenzhen Xuezhuyuan Public Welfare Foundation for the "Love in Action National Brand Unpaid Blood Donation Public Welfare Plan"

Case Study [99 Public Welfare Day] Joining Hands with Sunwoda, Doing Acts of Kindness and Guarding the Smiles of Sick Children

From September 7th to 9th 2023, Sunwoda's foundation called upon its employees to engage in meaningful acts of kindness. With a donation of RMB 5.20, we aimed to safeguard the precious smiles of sick children. The funds were directed towards the "Creating a Caring Space for Sick Children" project, jointly initiated by the Shenzhen Charity Federation and the SME Federation Qing Wa Wa Charity Fund. This collaboration aims to establish a nurturing and relaxing environment for children suffering from blood diseases and their families, while fostering a charitable atmosphere of compassion, warmth, and love within Sunwoda.



RMB 5.2 to Guard the Smiles of Sick Children Poster

Case Study "Fulfilling Tiny Dreams, Striving to Be Dream Makers" Loving Dream Fulfillment Activity

In March 2023, the month honoring the spirit of Lei Feng, our foundation rallied Sunwoda's party members, the general public, and compassionate individuals to embark on a heartfelt campaign. The objective was to collect and fulfill micro-wishes for 30 children facing challenging circumstances, enabling them to fulfill their heartfelt desires. On April 2nd, marking the 16th World Autism Awareness Day, a team of company volunteers, accompanied by social workers from Shiyen, visited these children and presented them with heartwarming gifts. Additionally, milk and fruits were distributed to the families of 12 "children of the stars", aiming to bring them a sense of special warmth and care.

One volunteer shared, "I am profoundly moved by their circumstances and inspired by their resilience and optimism. Their wishes are surprisingly simple, yet deeply meaningful. I assured the children that they are loved and that there are people, like uncles and aunts, silently caring for them. This experience has kindled my desire to participate in more such welfare initiatives in the future".



Collaboration with Shiyen Social Workers in the "Fulfilling Tiny Dreams, Striving to Be Dream Makers" Loving Dream Fulfillment Activity

Appendix

/ Key Performance Table

Economy

Indicator	Unit	2021	2022	2023
Revenue	RMB billion	37.359	52.162	47.862
Net profit attributable to shareholders of the Company	RMB million	916	1,068	1,076
Earnings per share	RMB/ share	0.58	0.62	0.58
Asset-liability ratio	%	67.75	64.69	59.07
Tax amount	RMB million	846	906	1,123

Environment¹

Issue	Indicator	Unit	2021	2022	2023
Energy	Electricity	kWh	705,998,215.68	918,076,832.32	929,540,587.61
	Natural gas	Cubic meter	3,299,857.10	15,679,081	14,178,905.76
	Gasoline	Liter	189,095.28	192,033.15	191,512.76
	Diesel	Liter	5,626.11	7,735.97	3773
	Steam	Ton	—	262,371.95	320,521.01
Greenhouse gases ²	Total emissions	tCO2e	417,887.31	638,420.29	659,352.51
	Scope 1	tCO2e	7,702.35	34,948.81	31,636.87
	Scope 2	tCO2e	410,184.96	603,471.48	627,715.64
Waste gas	Total emissions	Ton	12.60	17.81	36.59
	Total non-methane hydrocarbons	Ton	5.62	8.38	18.2
	Volatile organic compounds (VOCs)	Ton	—	0.78	5.64
	Nitrogen oxides	Ton	2.23	7.32	5.59
	SOx	Ton	0.07	Lower than the detected value	0.11
	Particulates	Ton	2.23	1.33	6.83

1. The disclosure scope of EHS data in 2023 covers companies with assets greater than 5 million, and the list of companies is different from that in 2021-2022, so the indicator differences are relatively large.

2. The greenhouse gas emission calculation method has been revised. The power emission factor in 2021 adopted the national grid average emission factor of 0.5810tCO2e/MWh, while the power emission factor in 2022 and 2023 adopted the national grid average emission factor of 0.5703tCO2e/MWh. The source of the heat emission factor is the Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Electronic Equipment Manufacturing Enterprises (Trial), and the source of the steam heat content is the average heat content calculated based on the measured values of equipment and facilities.

Issue	Indicator	Unit	2021	2022	2023
Waste gas	Others	Ton	2.45	0	0.21
Wastewater	Total discharge	Ton	946,835	974,815	362,306
	Chemical oxygen demand (COD)	Ton	31.12	123.69	53.07
Effluent quality	Biochemical oxygen demand five days (BOD5)	Ton	5.16	37.99	14.17
	Ammonia nitrogen	Ton	2.61	3.27	4.89
	Total nitrogen	Ton	3.02	3.41	3.22
	Suspended matter	Ton	10.88	29.39	7.31
	Total phosphorus	Ton	0.13	0.36	0.76
	Water resources	Water consumption	Ton	3,108,634	3,319,597
Waste	Non-hazardous waste				
	Production	Ton	3,796.99	2,868.61	4,482.57
	Recycling	Ton	—	2,669.32	3,586.06
	Hazardous waste				
	Production	Ton	911.89	1,231.86	1,619.72
	Recycling	Ton	—	6.70	9.31
	Cyclic utilization	Ton	—	304.89	26.07
	Landfilling	Ton	—	35.52	34.16
	Incineration	Ton	—	801.86	1,360.80
	Others	Ton	—	113.56	189.39

Society

Issue	Indicator	Unit	2021	2022	2023
Employees	Number of employees	People	36,127	44,842	47,448
	By gender				
	Male	People	24,524	30,833	32,519
	Female	People	11,603	14,009	14,929
	By employment type				
	Permanent employment contract	People	36,041	44,641	46,531
	Labor dispatch system	People	30	22	6
	Others	People	56	179	911
	By function				
	Production personnel	People	23,587	28,656	31,396
	Technical personnel	People	6,973	8,364	8,442
	Sales personnel	People	369	498	628
	Financial personnel	People	189	270	287
	Administrative personnel	People	5,009	7,054	6,695
	By educational background				
	PhD degree	People	93	107	133
	Master's degree	People	960	1,360	2,002
	Bachelor's degree	People	4,955	7,467	8,338
	Junior college degree	People	5,649	7,319	7,503
	Below junior college degree	People	24,470	28,589	29,472
	By age				
	Over 50 years old	People	169	163	695
	30 to 50 years old	People	16,878	21,590	22,572
Under 30 years old	People	19,080	23,089	24,181	

Issue	Indicator	Unit	2021	2022	2023
Employees	By region				
	Mainland China	People	36,109	44,799	47,399
	Hong Kong, Macao, Taiwan	People	18	11	16
	Other countries and regions	People	0	32	33
	Gender of the management				
	Male in management	People	712	4,609	4,468
	Female in management	People	468	1,079	1,142
	Proportion of female in management	%	39.66	23.41	20.36
	Labor contract signing rate	%	100	100	100
	Number of minority employees	People	—	10,826	5,275
Training	Total number of employees trained	People	27,679	32,189	30,199
	Total hours of training for employees ³	Hour(s)	206,951	26,756.5	290,233
Suppliers	Total Number of Suppliers	Supplier(s)	5,495	5,218	4,020
	By region				
	Suppliers from the Chinese Mainland	Supplier(s)	4,871	4,740	3,512
	Suppliers from Hong Kong, Macao, Taiwan, and other Countries	Supplier(s)	624	478	508
Community	Charity donation	RMB'0,000	679.00	686.90	1,453.30
	Duration of volunteer activities	Hour(s)	358	1,980	870

3. It's accumulated number for project-based training sessions.

/ GRI Index

Notes	Sunwoda reported the information cited in this GRI Index with reference to the GRI Standards dated from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosed Item	Corresponding Chapter
2-1	Organization details	Company Profile
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Key Performance Table
2-6	Activities, value chains and other business relationships	Company Profile Clean Technology and Green Product
2-7	Employees	Key Performance Table
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Refer to The Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Management System
2-13	Delegation of responsibility for managing impacts	ESG Management System
2-14	Role of the highest governance body in sustainability reporting	About This Report ESG Management System
2-15	Conflicts of interest Corporate	Refer to The Annual Report
2-16	Communication of critical concerns	ESG Management System
2-17	Collective knowledge of the highest governance body	ESG Management System
2-22	Statement on sustainable development strategy	Message from the Chairman
2-23	Policy commitments	Contribution to United Nations Sustainable Development Goals (SDGs) Business Ethics Sustainable Supply Chain Workplace Well-being

GRI Standards	Disclosed Item	Corresponding Chapter
2-24	Embedding policy commitments	Contribution to United Nations Sustainable Development Goals (SDGs) Business Ethics Sustainable Supply Chain Workplace Well-being
2-25	Processes to remediate negative impacts	Business Ethics Sustainable Supply Chain Workplace Well-being
2-26	Mechanisms for seeking advice and raising concerns	About This Report
2-27	Compliance with laws and regulations	Refer to section of the report for details
2-28	Membership associations	ESG Management System R&D and Innovation
2-29	Approach to stakeholder engagement	Management of material issues
2-30	Collective bargaining agreements	Workplace Well-being
3-1	Process to determine material issues	Management of material issues
3-2	List of material issues	Management of material issues
3-3	Management of material issues	Management of material issues Corporate Governance
201-1	Direct economic value generated and distributed	Performance Key Performance Table
201-3	Defined benefit plan obligations and other retirement plans	Workplace Well-being
203-1	Infrastructure investments and services supported	Community Charity
3-3	Management of material issues	Management of material issues Business Ethics
205-1	Operations assessed for risks related to corruption	Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Business Ethics

GRI Standards		Disclosed Item	Corresponding Chapter
GRI 206: Anti-competitive Behavior 2016	206-1	Legal proceedings against anti-competitive behaviors, antitrust and anti-monopoly practices	Fair Competition
	302-1	Energy consumption within the organization	Green Production Key Performance Table
GRI 302: Energy 2016	302-4	Reduction of energy consumption	Green Production
	302-5	Reductions in energy requirements of products and services	Green Production
	303-1	Interactions with water as a shared resource	Green Production
GRI 303: Water and Effluents 2018	303-2	Management of water discharge related impacts	Green Production
	303-4	Water discharge	Green Production Key Performance Table
	303-5	Water consumption	Green Production Key Performance Table
	3-3	Management of Material Issue	Management of Material Issue Annual Theme Actively Responding to the EU Battery Regulation and Navigating the Era of Green Battery Carbon Peaking and Neutrality Management Green Production
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Key Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Table
	305-4	GHG emissions intensity	Carbon Peaking and Neutrality Management
	305-5	Reduction of GHG emissions	Carbon Peaking and Neutrality Management
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Green Production Key Performance Table
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Green Production
	306-2	Management of significant waste-related impacts	Green Production
	306-3	Waste generated	Key Performance Table
	306-4	Waste diverted from disposal	Green Production Key Performance Table
	306-5	Waste directed to disposal	Key Performance Table
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of Material Issues	Management of Material Issues Sustainable Supply Chain
	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain

GRI Standards		Disclosed Item	Corresponding Chapter
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workplace Well-being
	401-3	Parental leave	Workplace Well-being
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Workplace Well-being
	403-1	Occupational health and safety management system	Occupational Safety and Health
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health
	403-3	Occupational health services	Occupational Safety and Health
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health
	403-5	Worker training on occupational health and safety	Occupational Safety and Health
	403-6	Promotion of worker health	Workplace Well-being Occupational Safety and Health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health
	403-9	Work-related injuries	Occupational Safety and Health
	403-10	Work-related ill health	Occupational Safety and Health
	GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Workplace Well-being Key Performance Table
GRI 414: Supplier Social Assessment 2016	3-3	Management of Material Issues	Management of Material Issues Sustainable Supply Chain
	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain

/ Feedback and Suggestions



Thank you very much for taking the time and attention to read the *2023 ESG Report of Sunwoda Electronics Co., Ltd.*. Your feedback is crucial for us to continually enhance the ESG management efforts and report quality, thereby strengthening our ESG capabilities and standards. We kindly invite you to share your valuable opinions and suggestions regarding this report. Rest assured, we will seriously consider your inputs and ensure the confidentiality of your information.

1、 Please indicate your stakeholder category by ticking the appropriate box:

- Employee Customer Investor dealer Supplier Government and regulatory agencies
 Media Industry associations Cooperative institutions Others (Please specify)

2、 Does the report comprehensively and accurately reflect the Company's significant economic, social, and environmental impacts?

- Very good Good Average Poor

3、 How do you rate the report's responsiveness and disclosure quality in addressing stakeholder concerns?

- Very good Good Average Poor

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

- Very good Good Average Poor

5、 How do you assess the readability of this report, including its logical flow, content design, language, and formatting?

- Very good Good Average Poor

6、 Please provide your suggestions for improving our future ESG reports:



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Official Account



TikTok Account