

2021

Environmental, Social and Governance (ESG) Report



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Speech

The year 2021 saw the increasingly prominent global ecological and environmental problems and the urgent climate challenge. Therefore, a large number of governments have pledged to accelerate the transformation to clean energy. Regardless of the repeated resurgence of the COVID-19 pandemic, supply chain shortage and other challenges, the determination to achieve global green development is firm. For example, in some countries, the policies and regulations are becoming concrete, the penetration of electric vehicles has increased significantly, and the installed capacity of green and renewable energy continues to grow.

The year 2021 also witnessed the transition of "carbon neutrality" from a global consensus to a global action, resulting in the rapid expansion of the demand for lithium-ion batteries and the increasingly tight supply chain. CATL accelerated the expansion of production capacity by establishing ten production bases worldwide, deepening industrial cooperation to ensure supply and delivery, and accelerating technological innovation to promote green and low carbon operation, thus realizing the leapfrogging

development of its business. In particular, CATL's EV battery consumption volume ranked No.1 in the world for five consecutive years; a number of hundred MWh-scale projects of energy storage business have been put into production; and the battery recycling business is accelerating its expansion and going overseas. These achievements all help to promote carbon reduction in transportation, electric power and other industries in an all-round way. Meanwhile, CATL has always been committed to setting an example of safe, efficient and green production. For instance, Ningde production base was selected as a member of the Global Lighthouse Network by the World Economic Forum (WEF). With continuous innovation in the fields of energy utilization, transportation, logistics and manufacturing. etc., CATL' Yibin production base received the PAS2060 certification on carbon neutrality from the world's leading testing, inspection and certification company SGS in 2022, making it the world's first zero-carbon factory in the new energy industry.

Moreover, in 2021, CATL advanced high-quality development with the support of ESG management: strengthen governance and improve the construction of the integrity and compliance system; practice the

low-carbon concept with the carbon emissions per unit product decreased by 10.33% over the previous year; build a responsible supply chain and conduct 50 due diligence investigations on the mineral supply chain; pay attention to customer service, and improve product quality management system and customer rights protection mechanism; focus on employees' rights and interests and development, and carry out 14,000 training sessions to improve their skills; build a better community to promote rural revitalization and emergency response ...

The global action of "carbon neutrality" is both a challenge and an opportunity. As a global leader in new energy innovative technologies, CATL will meet the increasingly stringent requirements by ESG regulations and carbon policies, empower the low-carbon management of customers, ourselves and the supply chain with technological innovation, and work with stakeholders to help reduce global carbon emissions and achieve the sustainable and win-win development.

Contemporary Amperex Technology Co., Limited
Chairman of CATL Dr. Robin Zeng



Overview of CATL

Company Profile

Contemporary Amperex Technology Co., Limited (hereinafter referred to as "CATL", "the Company" or "We") is a global leader in the new energy innovation technologies, committed to providing premier solutions and services for new energy applications worldwide.



Company Name: Contemporary Amperex Technology Co., Limited
Establishment: December 2011
Headquarters: No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian Province, P.R. China
Listing Situation: Listed on the Growth Enterprise Market of Shenzhen Stock Exchange (stock code: 300750)

Business Scope

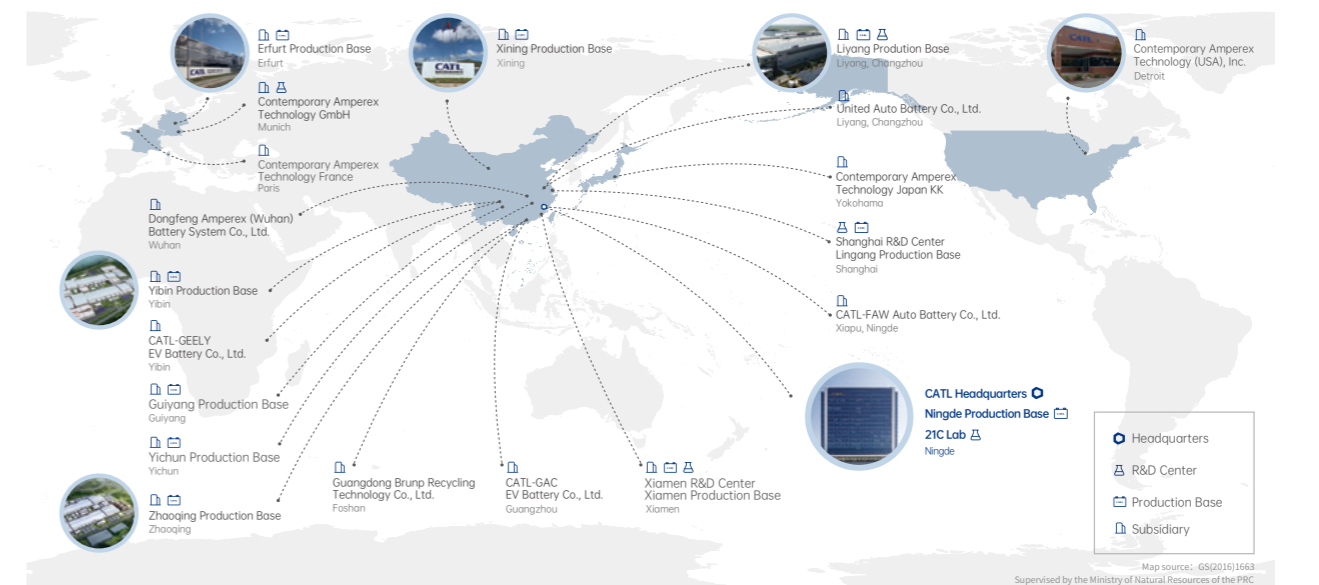
The Company boasts core technical advantages and sustainable R&D capabilities in key areas of the industrial chain, such as battery materials, battery systems, battery recycling, etc., forming a comprehensive and mature production and service system, and promoting the wide application of lithium-ion batteries as high-quality energy storage carriers through business model innovation. Our products mainly include EV battery systems, energy storage systems and lithium-ion battery materials.

<p>EV Battery System</p>	<p>CATL's EV battery system consists of cells, modules, and battery packs with a wide application in new energy passenger vehicles, new energy commercial vehicles, and other vehicles utilizing new energy, as well as non-road mobile machinery.</p>
<p>Energy Storage System</p>	<p>CATL's energy storage system products include cells, modules, packs, and battery racks, widely applied in the fields of power generation, power transmission and distribution, and can effectively overcome the irregular output of wind or solar power generation, make up for loss of power lines, track and plan peak-load shifting, improve the energy efficiency of wind and photovoltaic power generation systems and achieve a balance between peak and valley in the electricity sector.</p>
<p>Lithium-ion Battery Material</p>	<p>CATL processes, refines and synthesizes valuable metals such as nickel, cobalt, manganese, and lithium from used lithium-ion batteries to produce NCM(NixCoyMnz) precursors and other lithium-ion battery materials, so as to recycle and reuse these metal resources.</p>

Global Locations

Headquartered in Ningde, China, CATL has established ten battery manufacturing bases worldwide, namely Ningde, Fujian Province; Liyang, Jiangsu Province; Xining, Qinghai Province; Yibin, Sichuan Province; Zhaoqing, Guangdong Province; Lingang Special Area of China (Shanghai) Pilot Free Trade Zone, Shanghai; Xiamen, Fujian Province; Yichun, Jiangxi Province; Guiyang, Guizhou Province and Erfurt, Germany. At the same time, CATL has established subsidiaries in Munich, Germany; Paris, France; Yokohama, Japan; Detroit, USA as well as other places.

Headquarters	Five R&D Centers	Ten Production Bases
<p>Ningde, Fujian Province</p>	<p>China: Ningde, Fujian Province; Liyang, Jiangsu Province; Shanghai; and Xiamen, Fujian Province Overseas: German R&D Center</p>	<p>China: Ningde, Fujian Province; Xining, Qinghai Province; Liyang, Jiangsu Province; Yibin, Sichuan Province; Zhaoqing, Guangdong Province; Lingang, Shanghai; Xiamen, Fujian Province; Yichun, Jiangxi Province; and Guiyang, Guizhou Province Germany: Erfurt</p>



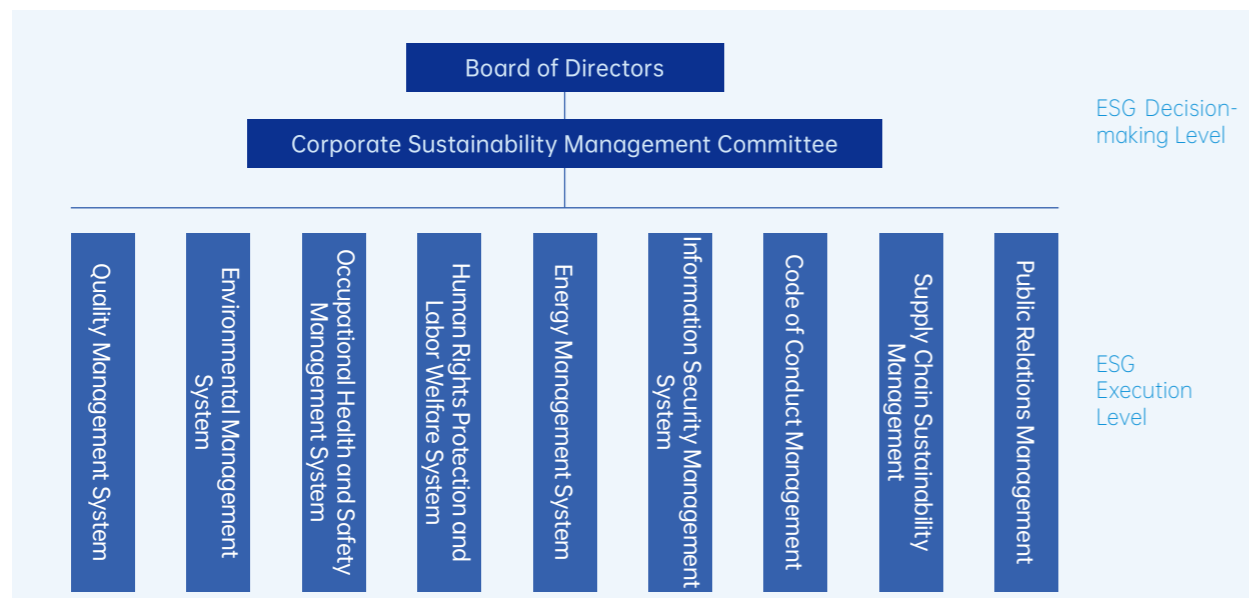
ESG Management

While providing innovative products and services, CATL integrates the concept of sustainable development management into all aspects of its business operation. We have formulated and released the *Sustainable Development Commitment* to the public, staying committed to building a sustainable development management system. We adhere to ethical and compliance management, in order to ensure the sustainable development of CATL and provide competitive new energy solutions for customers all over the world.

<h2 style="margin: 0;">Vision</h2> <p style="margin: 0;">Rooted in the Chinese culture while embracing the global culture, strive to be a global premier innovative technology corporation, deliver excellent contribution to green energy resolution for mankind, and provide a platform of pursuing the spiritual and material well-being for employees</p>	<h2 style="margin: 0;">Mission</h2> <p style="margin: 0;">Innovate to enable customers achievements, power your life</p>	<h2 style="margin: 0;">Core Value</h2> <p style="margin: 0;">Refine Enable Strive Innovate</p>
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CATL has established a top-down ESG management structure to ensure the efficient implementation of ESG work. Composed of 5 system co-presidents as members, the CATL Corporate Sustainability Management Committee has the right to monitor and make decisions on ESG matters. The ESG executive personnel consists of the management from all departments, who are also in charge of each sub-business, to ensure the efficient development and implementation of ESG work. To further promote and encourage sustainable development governance, the Company links the ESG performance indicators with performance appraisal of the departments of the ESG execution level. Hence, the Company sets a reasonable assessment weight and shall implement rewards and punishments according to the annual assessment results.

Sustainable Development Governance and Management Framework



Communication with Stakeholders and Identification of Material Topics

Understanding the demands and topics of concern of stakeholders is of great significance to continuously improve ESG governance and management. Therefore, we always uphold the principle of stakeholder participation in ESG management. Particularly, we identify the key stakeholders, establish a permanent communication mechanism with them, deeply understand their opinions and expectations, respond to their demands through stable communication channels, and establish a two-way communication mechanism and a long-term cooperative relationship of mutual trust.

In 2021, with reference to the latest policies of the exchange where the Company is listed and the good practices of domestic and foreign peers, CATL identified and screened material topics based on its own business, operational characteristics and expert opinions while fully considering the demands and issues of concern of stakeholders.

Identification	According to the Shenzhen Stock Exchange's <i>Guidelines for Social Responsibility of Listed Companies</i> , <i>Guidelines for Self-discipline Supervision of Listed Companies No.2 - Standardized Operation of Listed Companies on Growth Enterprise Market</i> and other policies, with reference to the <i>Sustainable Development Report Standard</i> of GRI (Global Reporting Initiative), combined with peer benchmarking, the actual operation of the Company was analyzed, and material topics were identified.
↓	
Sorting	Summarize material topics based on communication with stakeholders and experts.
↓	
Reporting	The high material topics identified shall be the Company's focus on ESG management and information disclosure.



After identification, ranking and verification, CATL selected the material topics concerned by stakeholders (highlighted in bold in the table below) as the focus of company management and disclosure in this report.

Concerns of Stakeholders and Communication Methods

Key Stakeholders	Topics of Concern	Communication and Response
Investors	<ul style="list-style-type: none"> Compliance management Corporate governance Economic performance Anti-corruption and business ethics R&D and innovation 	<ul style="list-style-type: none"> General meeting of shareholders Financial statement Performance report Roadshow, etc.
Employees	<ul style="list-style-type: none"> Occupational health and safety Human capital development Compliance management Diversity and equal opportunities Information security and privacy protection 	<ul style="list-style-type: none"> Employee activity Employee training Employee assessment and promotion Occupational health and safety management system Labor union and workers' congress
Customers	<ul style="list-style-type: none"> R&D and innovation Product quality and safety Protection of customer rights and interests Information security and privacy protection Accessibility of products and services Clean technologies Low-Carbon products 	<ul style="list-style-type: none"> CIR innovation platform Intellectual property protection Quality management system Customer service system Satisfaction survey Information security management system
Government and Supervision Department	<ul style="list-style-type: none"> Anti-monopoly and fair competition Anti-corruption and business ethics Low-Carbon products Clean technologies Environmental management Response to climate change 	<ul style="list-style-type: none"> Institutional investigation Official document exchange Policy implementation Information disclosure Technical innovation Climate change governance system, etc.
Suppliers	<ul style="list-style-type: none"> Compliance management R&D and innovation Responsible supply chain Information security and privacy protection 	<ul style="list-style-type: none"> Supplier system standardization Supplier quality management Due diligence management of responsible mineral supply chain Supplier training and promotion
Public and Community	<ul style="list-style-type: none"> Social welfare Clean technologies Resource management Waste management Environmental management 	<ul style="list-style-type: none"> Social welfare projects Community volunteer activities Environmental management system

Management and Administration

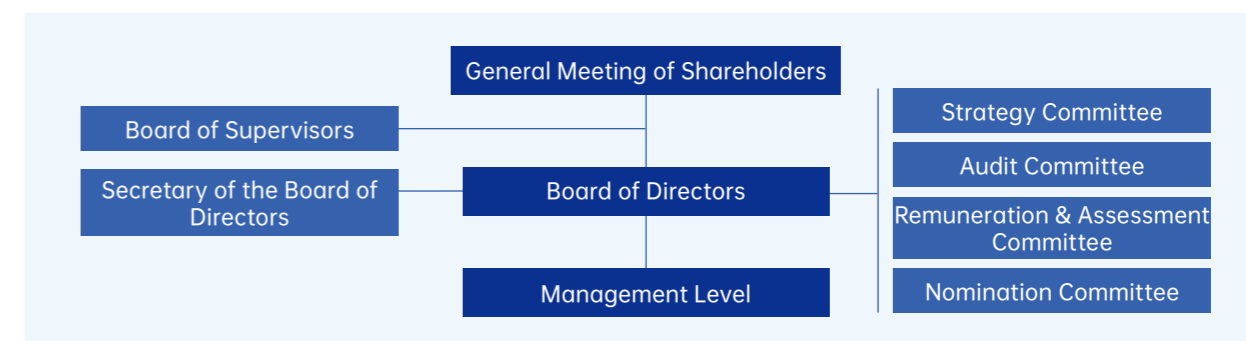
Complete corporate governance and responsible operation practice laid a foundation for sustainable development. CATL boasts a sound governance system and strict adherence to business ethics to ensure its long-term and steady development, and takes it as the foundation for actively fulfilling its environmental and social responsibilities.

Corporate Governance

Corporate Governance Structure

In line with the requirements of the *Code of Corporate Governance for Listed Companies* and *Shenzhen Stock Exchange's the Guidelines for Self-discipline Supervision of Listed Companies No.2 - Standardized Operation of Listed Companies on Growth Enterprise Market*, CATL has established a sound and effective corporate governance structure consisting of the general meeting of shareholders, board of directors and senior management, and built a corporate governance mechanism with clear rights and responsibilities and standardized operation, which effectively guarantees the fairness and rationality of corporate governance decisions.

CATL Corporate Governance Structure



General Meeting of Shareholders	<ul style="list-style-type: none"> The General Meeting of Shareholders is the highest authority of CATL, which decides the Company's business policy and investment plan according to law, and reviews and approves the report of the board of directors.
Board of Directors	<ul style="list-style-type: none"> The board of directors shall work in accordance with <i>Shenzhen Stock Exchange's the Guidelines for Self-discipline Supervision of Listed Companies No.2 - Standardized Operation of Listed Companies on Growth Enterprise Market</i> and the <i>Rules of Procedure of the Board of Directors</i>, mainly responsible for convening the general meeting of shareholders, implementing its resolutions, and managing the Company's information disclosure. The board of directors of the Company sets up a strategy committee, an audit committee, a remuneration and assessment committee and a nomination committee. Each committee performs its own duties in strict accordance with relevant laws and regulations, and rules of procedure, and provides a powerful supplement for the scientific decision-making of the board of directors.
Management Level	<ul style="list-style-type: none"> The management level of the Company shall perform duties in accordance with the <i>Articles of Association</i> and the <i>Working Rules of the General Manager</i>, strictly implement the resolutions of the board of directors and the general meeting of shareholders, actively promote business development and internal management, and ensure the Company's sustained and stable development.

The Company conducts the selection, appointment and dismissal of its directors and supervisors based on the *Articles of Association*. The third board of directors of the Company consists of nine directors, including three independent directors; and the board of supervisors consists of three supervisors, including one employee representative supervisor. In 2021, the general meetings of shareholders, the board of directors meetings, and the board of supervisors meetings were held as follows:

Meeting	Achievements
General Meeting of Shareholders	Held 4 times with 33 proposals reviewed
Board of Directors Meeting	Held 17 times with 80 proposals reviewed
Board of Supervisors Meeting	Held 13 times with 51 proposals reviewed

Note: For details of the board of directors, please refer to the corporate governance section of the *CATL Annual Report 2021*.

Protection of Investor Rights and Interests

The Company regularly convenes and holds the general meeting of shareholders in strict accordance with the *Articles of Association*, *Rules of Procedure for the General Meeting of Shareholders*, etc., to ensure that the shareholders have the right to know and participate in important matters of CATL stipulated by laws, administrative regulations and the *Articles of Association*.

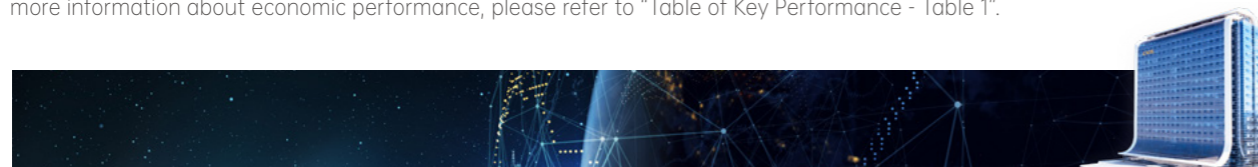
In strict accordance with the *Listing Rules of Shenzhen Stock Exchange's Growth Enterprise Market*, *Shenzhen Stock Exchange's the Guidelines for Self-discipline Supervision of Listed Companies No.2 - Standardized Operation of Listed Companies on Growth Enterprise Market* and other relevant requirements, CATL carries out information disclosure in an authentic, accurate, complete and timely manner, and actively discloses all information that may have a substantial impact on the decisions of shareholders and other stakeholders on the official website, WeChat official account, Shenzhen Stock Exchange interaction platform and other platforms.

We respect and guarantee the rights of all shareholders as owners of the Company, and ensure that all shareholders have equal access to information. Adhering to the principle of "compliance, fairness and timeliness", we have established effective communication channels with shareholders, including regular reports, direct telephone calls from investors, on-site surveys, etc. The secretary of the board of directors of CATL was appointed as the person in charge of investor relations management, responsible for coordinating investor relations, receiving shareholders' visits, answering investors' inquiries, etc. In addition, we provide convenient conditions for minority shareholders to participate in voting, and ensure their equal rights.

In 2021, CATL won the 2021 Best Investor Relations Award of China's Listed Companies awarded by the 12th China Listed Company Investor Relations Management Forum of Securities Times.

In order to regulate related-party transactions and reduce unnecessary related-party transactions, and prohibit the Company's controlling shareholders, actual controllers, directors, supervisors and senior management from using related-party transactions to harm the interests of the Company and minority shareholders, the Company has formulated and continuously improved the *Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure of the Board of Directors*, *Working System for Independent Directors*, and *Related-Party Transaction Management System*, etc. with detailed regulations on the review, disclosure and avoidance system of related-party transactions to ensure the fairness of the Company's related-party transaction decisions to all shareholders. During the reporting period, the decision-making and approval procedures for related-party transactions occurred in the Company complied with relevant laws and regulations and the relevant provisions of the aforesaid system. Independent directors have issued prior approval and independent opinions on related-party transactions involving disclosure, and fulfilled their information disclosure obligations in a timely manner. There is no act of using related-party transactions to harm the interests of the Company and minority shareholders.

CATL has formulated the reasonable profit distribution policy, method and dividend plan, aiming to create economic benefit by increasing R&D efforts and continuously expanding production scale, so as to positively repay the shareholders. In 2021, the Company realized a gross revenue of 130,355.80 million yuan, with a year-on-year increase of 159.06%, and the net profit attributable to shareholders of listed companies was 15,931.32 million yuan, achieving a year-on-year increase of 185.34%. For more information about economic performance, please refer to "Table of Key Performance - Table 1".



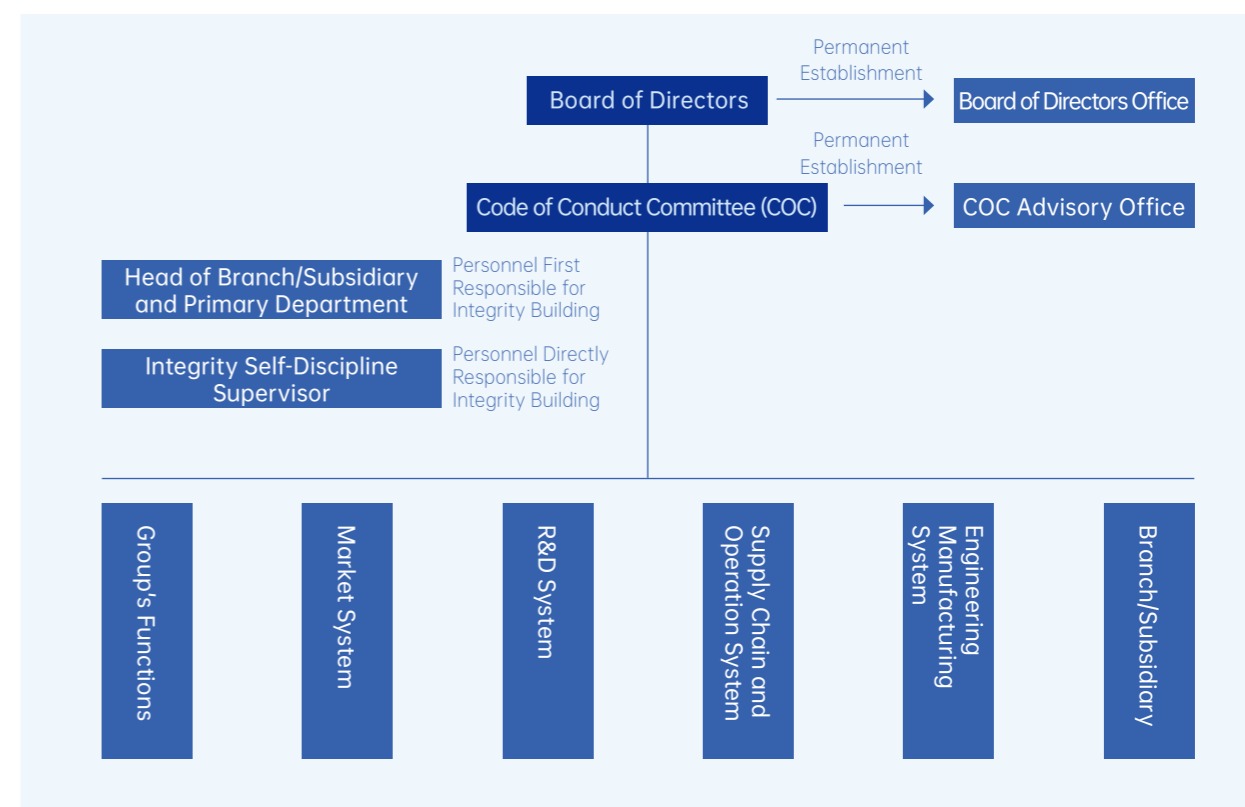
Anti-corruption and Business Ethics

Integrity and Compliance System Construction

CATL insists on the bottom line of compliance management and the goal of creating a working atmosphere of compliance, integrity and honesty, and continues to implement the working concept of "Combine Investigation and Prevention with Focus on Prevention, jointly Manage and Focus on Prevention and Control." The board of directors establishes the Code of Conduct Committee (COC), which is fully responsible for the integrity and compliance management of different systems, branches and subsidiaries of the Company. COC bears the responsibility to formulate the Company's integrity policy, establish comprehensive rules, regulations and procedures with anti-corruption and business ethics as the core, investigate employees who violate the Company Code of Conduct, and report directly to the board of directors.

COC has a COC advisory office, which is responsible for supervising the implementation of *CATL Code of Conduct*. The Company adheres to the management philosophy that "the heads of branches, subsidiaries and primary departments are the first responsible persons for integrity development" and appoints the integrity self-discipline supervisors in branches, subsidiaries and departments to supervise and promote the implementation of integrity building.

CATL's Integrity and Compliance Organization Structure



Focusing on the three-No goal of "Be afraid to corrupt; Cannot corrupt; Don't want to corrupt", CATL carried out its work from three aspects in 2021: integrity system construction, integrity culture education and integrity supervision mechanism. During the reporting period, the Company made new progress in integrity development: the integrity management system that makes people unable to be corrupt became increasingly perfect, the deterrent effect that makes people afraid to be corrupt was normalized, and the integrity culture that makes people unwilling to be corrupt was recognized and practiced by most employees.

① Construction of Integrity System	<ul style="list-style-type: none"> CATL has created 16 management systems with <i>CATL Code of Conduct</i> as the core, covering four areas: integrity supervision, integrity norms, liaison management and integrity self-discipline supervisor management. <i>CATL Code of Conduct</i> contains corporate ethics, corporate business code of conduct, supervision and management outline, etc., and puts forward compliance requirements for different stakeholders, as well as additional responsibilities for the Company's directors, supervisors, senior management, financial personnel and auditors. In 2021, CATL launched four systems, including <i>Regulations and Implementation Rules of Integrity Construction and Management System of Employee Integrity Agreement</i>, and constantly improved the Company's integrity management system. As for all employees: Several documents such as <i>Six Prohibitions on CATL Employees from Corruption</i>, <i>Provisions on Accepting Gifts and Money by CATL Employees</i>, <i>Employee Integrity Handbook</i>, etc. were issued to regulate employees' behaviors while communicating with customers and suppliers, which require employees to refuse gifts and money, and voluntarily declare the conflicts of interest. As for suppliers: The <i>Supplier Code of Conduct</i> and other related documents were formulated, and all suppliers are required to sign the <i>Supplier Integrity Commitments</i> for access. Any supplier violating the Commitments will be exposed to the risk of qualification downgrading, payment of liquidated damages, termination of cooperation and being blacklisted.
② Integrity Culture Education	<ul style="list-style-type: none"> As for all employees: In 2021, a total of five major publicity activities on integrity at the Company level were held; and four COC integrity certification examinations were conducted, with more than 80,000 participants and an average participation rate of 98.7%. As for backbone employees: In 2021, CATL organized two special integrity trainings with over 10,000 participants on commercial bribery, non-competition and trade secret protection. As for suppliers: In 2021, the Company issued two <i>Open Letters to Partners</i> to more than 1,200 suppliers, calling on partners to earnestly fulfill their commitments to integrity. As for partners: Publicize the related achievements of the Company's integrity construction, and call on partners to earnestly fulfill their commitments to integrity. Integrity-themed products: The Company released the first integrity-themed short film "Journey of Heart" after half a year's efforts by adapting real cases, aiming at strengthening employees' awareness of integrity and intellectual property protection.
③ Integrity Supervision Mechanism	<ul style="list-style-type: none"> CATL conducts audit work according to the internal control requirements of listed companies, and the audit of "business ethics and anti-fraud" is also conducted in all production bases at least once every three years. In addition, the Audit Department shall carry out special audit work on fraud risks as required, carry out relevant investigations and submit them to COC. Establish a coordination mechanism with local police, procuratorates, etc., and continue to play an exemplary role as the contact point for Ningde Procuratorate to serve private enterprises.

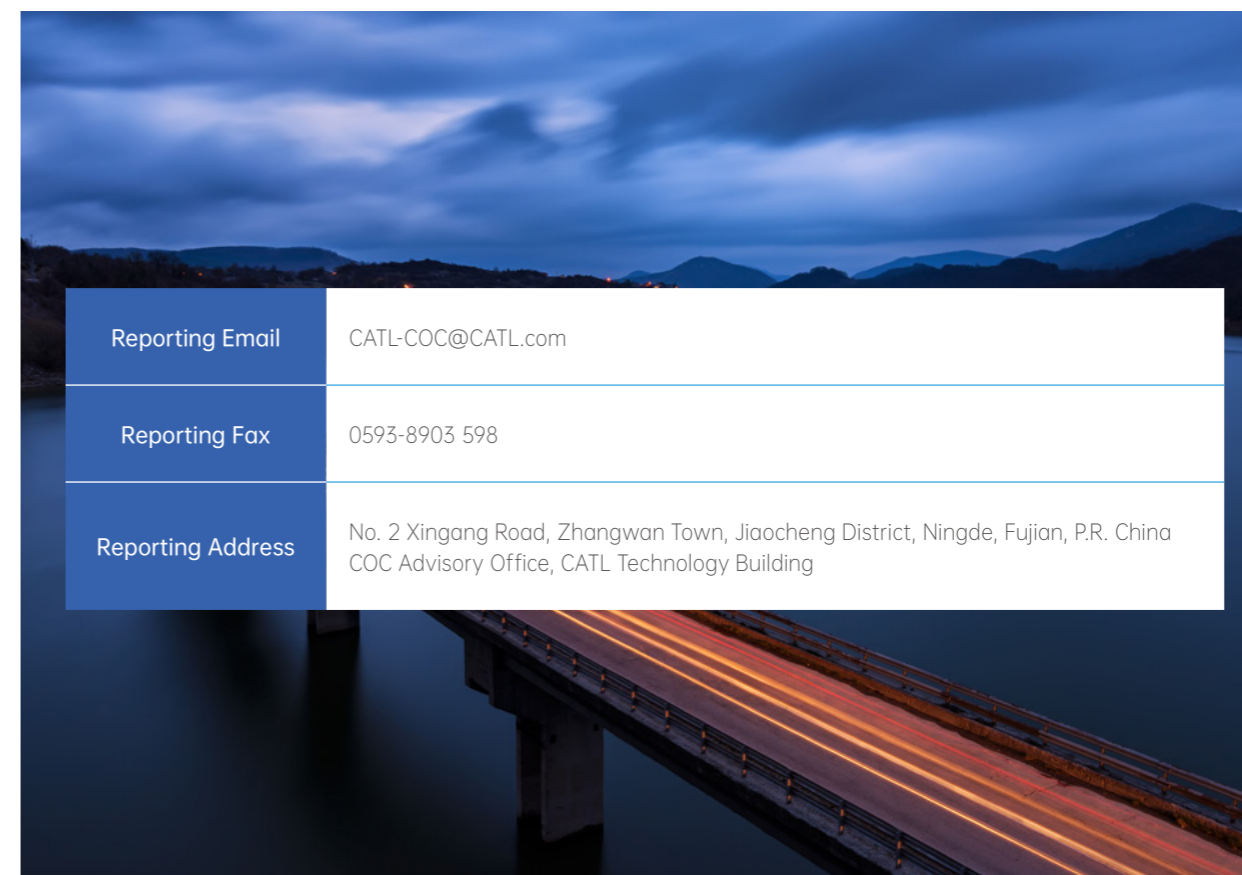
The Company adheres to zero tolerance for corruption and safeguards its legitimate rights and interests in accordance with the law. In terms of internal management, the Company has intensified efforts to investigate and punish employees' violations of laws and regulations. During the reporting period, the Company investigated more than 20 cases of internal violation and fraud cases (including 2 cases transferred to judicial organs). In terms of external rights protection, the Company protects its intellectual property rights and trade secrets in accordance with the law. During the reporting period, the Company handled two cases of infringement of trade secrets.

We strengthen compliance management by joining external industry alliances. At the beginning of 2019, CATL joined the "Enterprise Anti-Fraud Alliance" and became one of the council members to share the blacklist and conduct joint off-site investigations with more than 800 member organizations, and obtain training guidance from anti-fraud experts. In 2021, we participated in more than 10 training and exchange activities of the Alliance. In addition, the Company joined the "Sunshine Integrity Alliance" in November 2021, and accepted the on-site investigation of the Secretary General of the Alliance and others. The two sides made in-depth exchanges and discussions on anti-fraud and compliance management and anti-bribery management system certification.

Compliance Issue Report and Informer Protection

We provide smooth channels for reporting compliance issues, including email, telephone/WeChat, fax, etc. In addition, the employees and partners can also get in touch with the COC advisory office directly to make complaints, inquiries and communicate opinions. The way of reporting was published on the Company's official website, and it was also announced to all employees through internal email, training and bulletin boards.

Reporting Channels



Reporting Email	CATL-COC@CATL.com
Reporting Fax	0593-8903 598
Reporting Address	No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian, P.R. China COC Advisory Office, CATL Technology Building

We encourage our employees, partners (customers, suppliers, etc.) and the public to report suspected illegal and criminal acts according to law. CATL sets up a reward fund for reporting incidents, and provides the informer with a reward according to the nature of reported violations, or provides punishment immunity and the right to keep cooperation for partners who actively report violations.

COC will evaluate reported information. For violations of codes or laws with clear facts, COC will register and investigate.

We abide by the *Provisions on Protection and Reward of Informers in Violation of Laws and Regulations*, standardize the protection mechanism of informers, and safeguard their legitimate rights and interests. We protect informers through confidential management measures, such as minimizing the number of insiders and keeping reporting materials by special personnel. Individuals retaliating informers or having informers retaliated will be dealt with seriously; If crime is involved, such individuals will be reported to the judicial authority.

Green Development



With the continuous development of business, CATL is committed to achieving sustainable development while meeting the demand for high-quality products. Based on our own climate governance system, we actively practice the green development strategy to make positive contributions to "Carbon Neutrality".

Topic: Taking Firm Steps towards Carbon Neutrality

Global climate change poses a great threat to the human society. The international community is gradually reaching a consensus on tackling global climate change and the European Union, China, Japan and other major economies have announced Carbon Neutrality targets. Around the 26th Conference of the Parties (COP26) of the United Nations Framework Convention on Climate Change (UNFCCC) in 2021, the number of participants in international carbon neutrality efforts has further grown. In September 2020, the Chinese government made a solemn climate commitment: China will increase its independent national contribution, adopt stronger policies and measures, and strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060.

Enterprises are not only the major emitters of greenhouse gases, but also the providers of innovative climate-friendly solutions. The business development of CATL is closely related to global efforts for carbon neutrality: The energy and transportation industries are the major carbon emitters; the realization of clean energy and transportation electrification is an important guarantee for carbon neutrality.

To contribute to the global efforts for carbon neutrality, we firmly take the path of low carbon development. CATL is committed to achieving the goal of realizing fossil fuel replacement in stationary and mobile energy systems with highly efficient electrical power systems that are generated through advanced batteries and renewable energy, and promoting the integrated innovation of market applications through electrification and intelligentization. Bolstered by continuous innovation, we will contribute to the building of a new power system mainly composed of new energy. In 2021, we continued to invest in building "Lighthouse Factory" and "Zero-Carbon Factory", made full use of artificial intelligence, cloud computing and intelligent energy management technologies, continuously improved the efficiency of production and operation, reduced the energy consumption in production, and took firm steps towards carbon neutrality.

The World's First Battery Manufacturing Production Base Recognized as "Lighthouse Factory" by WEF

The Global Lighthouse Network is a community of manufactures that shows leadership in using Fourth Industrial Revolution technologies to transform factories, value chains and business models, for compelling financial and operational returns.

In September 2021, our Ningde production base was selected as a member of the Global Lighthouse Network, becoming the first battery production base in the world to join the community. Ningde production base has greatly improved production efficiency and competitiveness while taking into account environmental management, and has achieved low defect rate and high production efficiency, improving labour productivity by 75% and reducing energy consumption by 10%.



The World's First Zero-carbon Factory in New Energy Industry

In the global context of the low-carbon transition, CATL continues to move towards the goal of achieving carbon neutrality. Yibin production base improves and innovates in energy utilization, transportation and logistics, manufacturing and other links continuously, and optimizes the production mode unremittingly, thus to reduce carbon emissions. Yibin production base has been certified as the world's first zero-carbon factory in the new energy industry.

Realization Path of Yibin Zero-Carbon Factory

Green Energy	Green Manufacturing	Green Logistics and Transportation
<p>Preferred low-carbon energy: Located at the intersection of Jinsha River, Minjiang River and Yangtze River, Yibin is rich in water resources and can provide hydropower for Yibin production base, which reduces carbon emissions by about 400,000 tons compared with traditional thermal power. We maximize the use of green electricity to provide sufficient green energy for manufacturing.</p> <p>Energy efficiency management: Intelligent CATL facility management system (CFMS) was officially launched in 2021, aiming to optimize the operation strategy of the factory and minimize the total energy consumption through 5G real-time equipment monitoring and big data calculation.</p>	<p>Digital production management system: In 2021, a digital production central control management system was set up to comprehensively control the production process and effectively reduce the process loss.</p> <p>Closed-loop management of waste recycling: The production waste is handed over to Guangdong Brunp, a subsidiary of CATL, for recycling, and it has achieved a recovery rate of 99.3% of nickel, cobalt and manganese metals.</p>	<p>Electrification of logistics: Self-driving logistics vehicles, electric trucks and electric forklifts are introduced to realize zero-carbon operation among supplier factories, raw material warehouses, processing factories, finished product warehouses and customer factories.</p> <p>Green transportation: Provide electric buses and bike-sharing for employees, encourage them to use new energy vehicles, and the employees shall get extra rewards if they pick up colleagues on the way.</p>

By the end of the reporting period, Yibin production base of CATL-SC has achieved carbon neutrality¹. In the future, we expect Yibin production base to set an example of carbon neutrality in battery manufacturing, and promote the zero-carbon transformation of new energy industry chain. At the same time, we regard Yibin production base as an important milestone and a new starting point, give full play to the capabilities and advantages of "Lighthouse Factory", and will realize carbon neutrality of the top ten bases worldwide one after another, making contributions to the global response to climate change.

Note 1: In March 2022, Yibin production base obtained the PAS2060 Carbon Neutral certification issued by SGS, a world-renowned certification organization, which confirmed that Yibin production base achieved carbon neutrality from January 1, 2021 to December 31, 2021.



PAS2060 Carbon Neutrality Certificate

Climate Change Governance System

CATL manages the climate change topics from the top down. The board of directors undertakes the overall responsibility for climate change topics, leads and guides the response to climate changes, and promotes the management of climate topics through a governance system from four dimensions: governance, strategy, risk management, and metrics and target management.

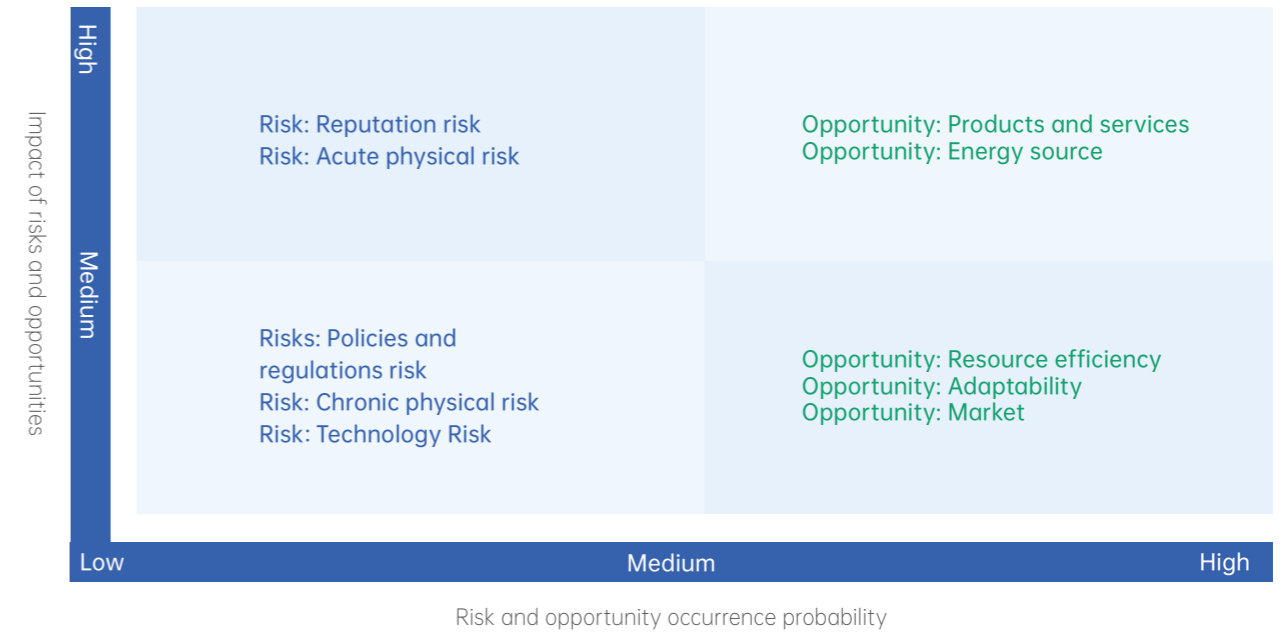
The Corporate Sustainability Management Committee identifies and ranks important climate topics, evaluates the impact of such risks and opportunities on CATL, and provides suggestions to the board of directors on risk response strategies to guarantee an effective climate risk management system of CATL. The relevant functional departments of the Company integrate climate change risk management into their daily work priorities.



Based on CATL's business development and expert opinions, we identify and analyze the potential impacts of climate risks and opportunities on the Company, and plan to incorporate climate change risk management into the overall operational risk management. The Company has analyzed and identified the types of climate risks and opportunities with high probability of occurrence or great influence, and sorted them in the matrix of climate risks and opportunities and adopted positive measures to manage climate risks and seize climate opportunities.



Matrix of Climate Risks and Opportunities



High and Medium Material Risks and Opportunities

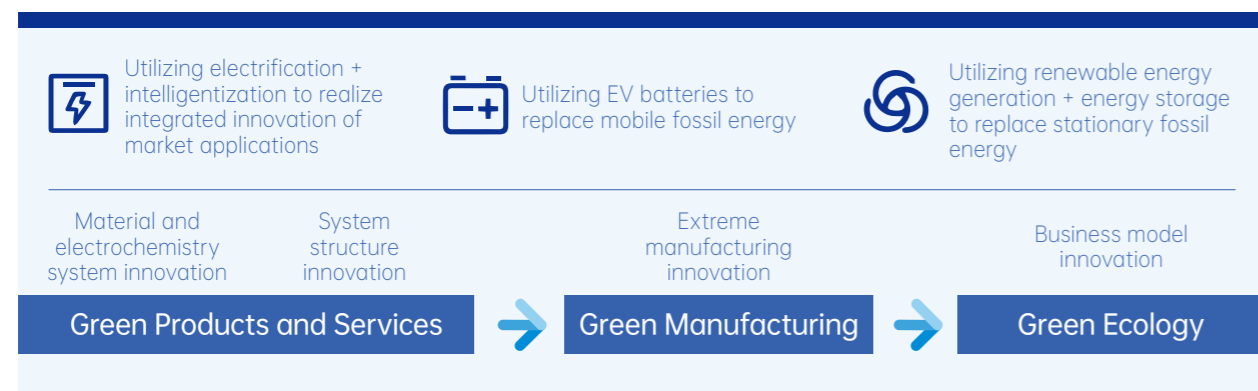
Climate Risk	Description and Response
Risk: Reputation risk	The Company's performance in responding to climate change issues has attracted the attention of stakeholders. Failure to take positive actions to meet the expectations of stakeholders may have an impact on the Company's reputation. While taking active and effective actions, we openly and transparently disclose the Company's actions and future plans on climate change issues to stakeholders.
Risk: Acute physical risk	Climate change may cause acute physical risks such as typhoons, floods, and droughts. Once such events occur, they will have a great impact on the Company's operations, but the probability of such events is low. We continue to improve our ability to resist extreme weather events such as tornadoes or floods and put in place emergency management mechanisms to deal with events such as depreciation of fixed assets, loss of labor and supply chain disruptions.

Climate Opportunity	Description and Response
Opportunity: Products and services	In the context of the transition to a low-carbon economy, the demand for low-carbon products and services may increase. We build highly efficient electrical power systems with renewable energy to replace fossil fuel energy-based stationary and mobile energy systems, and have developed innovative product solutions such as first-generation sodium-ion batteries, and continue to improve our ability to provide low-carbon related products and services.
Opportunity: Energy source	To achieve global carbon emission reduction targets, the application scenario of renewable energy is more widespread. With the development and innovation of green technology, the accessibility of renewable energy will gradually increase and the price will gradually decrease. We will use more renewable energy such as hydro, solar, and wind energy to promote energy savings during the production and operation process.
Opportunity: Resource efficiency	The efficiency improvement of energy, water, materials and other resources used during production and operation will make a contribution to global carbon emissions reduction. We continue to improve the efficiency of resources in the process of production and operation, carry out water resources management, material management and other measures to reduce the Company's operating costs.
Opportunity: Market	As China pledges to achieve carbon neutrality, consumer preference and behavior in the domestic market may change and consumers are more inclined to climate friendly products and services. We have insight into market demand, accelerate innovation and provide first-class solutions and services to the market.
Opportunity: Adaptability	The issue of tackling climate change has become the consensus of the whole society, requiring companies to have the ability to respond quickly and adapt to better manage climate risk and seize climate opportunities. We have actively formulated carbon neutrality plans, promoted the replacement of traditional energy by renewable energy, adopted measures to improve energy efficiency, create sustainable value chains and continue to raise our resilience to respond to climate change.

Green Development Strategy

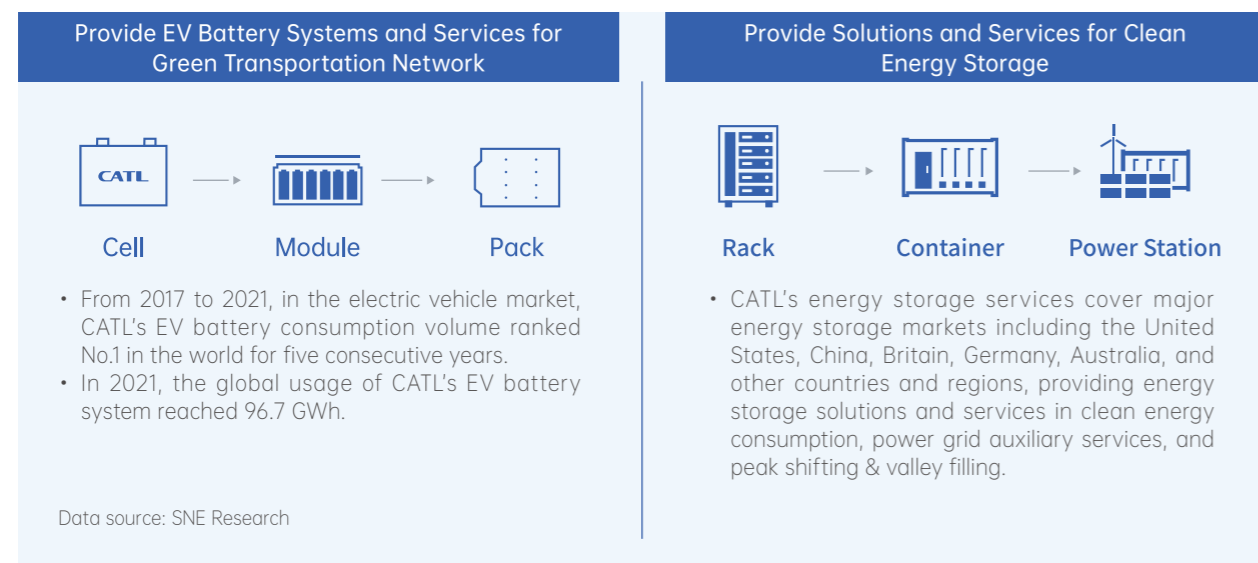
To achieve the goal of realizing fossil fuel replacement in stationary and mobile energy systems with highly efficient electrical power systems that are generated through advanced batteries and renewable energy, and promote the integrated innovation of market applications through electrification and intelligentization, CATL maintains continuous innovation in four dimensions, namely the material and electrochemistry system, system structure, extreme manufacturing and business model.

Development in Three Directions



Green Products and Services

CATL is now establishing a new energy industry ecosystem that integrates electrification and intelligentization based on its technological leadership and industry strength to help global new energy transformation and electric development. The Company provides EV battery system and services for green transportation network, including cell, module and pack, etc., and solutions and services for clean energy storage, including rack, container and power station.



The Company continues to invest in product research and development, and actively explore the innovation in material and electrochemistry system as well as structure system, so as to build a technology foundation for green products and services.

Highlights of Innovation in Material and Electrochemistry System in 2021

As for the innovation in material and electrochemistry system, CATL shall continue to build the world's leading digital R&D platform, leveraging big data, cloud computing and artificial intelligence in battery R&D, and accelerating the Company's R&D in new chemical systems such as sodium-ion batteries, lithium metal batteries and cobalt-free and non-precious transition metal batteries.

In 2021, through the high-throughput computing platform and simulation at atomic level, and based on our deep understanding of principles combined with the application of advanced algorithms and computing capacity, CATL developed the first-generation sodium-ion battery technology with high energy density, high stability and excellent low-temperature performance. In addition, upon the continuous improvement of the cathode and anode materials and electrolytes of the battery, the production cost and energy consumption of the battery have been continuously reduced, and the service life of the battery products is prolonged to more than 16 years, thus achieving the low-carbon and efficient application of the battery system.

CATL Launched its First Generation of Sodium-ion Battery

Based on a series of breakthroughs in the material system, CATL launched its first generation of sodium-ion battery in 2021. The sodium-ion battery enjoys the advantages of high-energy density, fast-charging capability, excellent thermal stability, great low-temperature performance and high-integration efficiency. The energy density of CATL's sodium-ion battery cell can achieve up to 160 Wh/kg, and the battery can be charge to 80% SOC in 15 minutes at room temperature. Moreover, in a low-temperature environment of -20°C, the sodium-ion battery has a capacity retention rate of more than 90%, and its system integration efficiency can reach more than 80%. The sodium-ion batteries' thermal stability exceeds the national safety requirements for EV battery. The first generation of sodium-ion batteries can be used in various transportation electrification scenarios, especially in regions with extremely low temperatures, where its outstanding advantages become obvious. Also, it can be flexibly adapted to the application needs of all scenarios in the energy storage field.

The basic industrial chain of the first-generation sodium-ion battery will be built in 2023. In 2021, CATL also laid out the technology of anode-free lithium-metal battery (AF-LMB) to further improve the energy density of sodium-ion battery.

CATL Highlights of System Structure Innovation in 2021

In terms of system structure innovation, the cell to pack (CTP) technology developed by CATL has been upgraded to the third generation. In addition, the Company has developed AB battery system solution, which broke limits on the performance single material system, realizing complementary advantages with more comprehensive solutions for customers.

Efficient Group Structure Innovation

In 2019, CATL pioneered the CTP (Cell to Pack) EV battery pack in the world. By increasing the volume utilization rate and reducing the number of components, the energy density of the battery was greatly improved. This technology won the Global Innovation Technology Award for New Energy Vehicles in 2020, and has been constantly applied in passenger cars, receiving much positive feedback. At present, CATL has developed Qilin battery with the third-generation CTP, which enables it to achieve a battery system energy density of over 250 Wh/kg and deliver 13% more power than the 4680 battery. In addition, Qilin Battery has further optimized the thermal management system, taking into account the extremely fast, nondestructive, safe and efficient heating process.

Furthermore, CATL has developed the next-generation CTC technology of system structure innovation, integrating the cells with the car body, chassis, electric drive, thermal management and various high and low voltage control modules, further improving the volume utilization rate, optimizing power distribution and reducing energy consumption through intelligent power domain controllers.

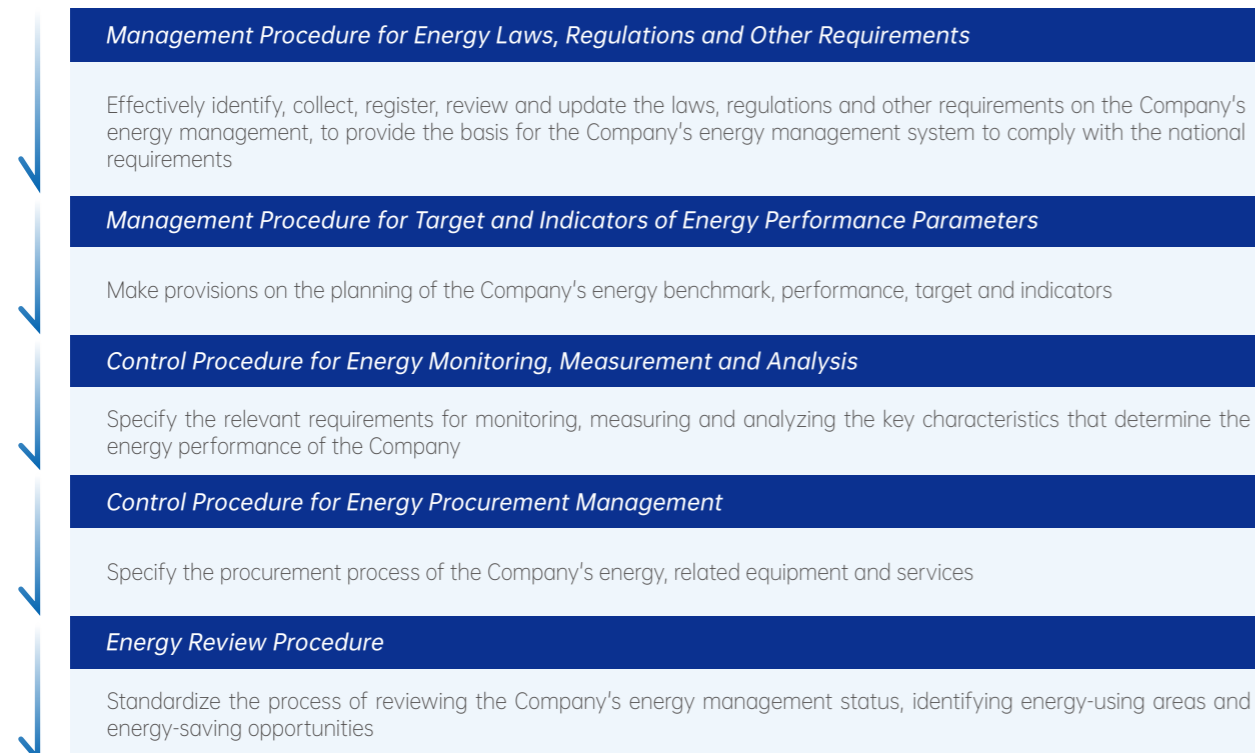
AB Battery

In July 2021, CATL officially launched lithium-sodium AB battery pack, which integrated sodium-ion and lithium-ion batteries into the same battery pack system with certain proportion, and balanced different battery systems with the help of precise control of battery management system (BMS). This battery system solution can leverage the benefits of both lithium-ion and sodium-ion batteries to achieve high power and great low-temperature performance, effectively advancing the stability of battery performance and prolonging its service life. At the same time, based on the system structure innovation of this system, more application scenarios for lithium-sodium battery system shall be explored.

Green Manufacturing

Energy Use

The categories of energy consumed by CATL include electric energy, natural gas and gasoline for its own vehicles. In order to raise the energy efficiency and improve the energy management system, as of the end of the reporting period, CATL headquarters (Ningde) have passed the ISO 50001: 2018 energy management system certification, based on which the Company has formulated a series of internal management documents.



In 2021, CATL implemented up to 351 energy-saving and carbon-reduction projects, and reduced greenhouse gas emissions by 609,630 tons of carbon dioxide equivalent through equipment optimization and transformation. In 2021, the comprehensive energy consumption per unit product of the whole company decreased by 24.3% compared with 2020. We carried out the energy audit of Ningde production base, which had been reviewed by the Ministry of Industry and Information Technology and the expert group, and we will further expand the audit scope in the future.

CATL Energy Saving Projects in 2021 (Part)

Energy Saving Project	Emission Reduction Achievement
Optimization of frozen water supply system in refrigerating station	Decreased 8,900 tons of CO ₂ / year
Replacement of screw air compressor by centrifugal air compressor	Decreased 2,700 tons of CO ₂ / year
Factory facility sealing improvement	Decreased 2,500 tons of CO ₂ / year
Logical optimization of air handling equipment for post-process standing at room temperature	Decreased 2,000 tons of CO ₂ / year
Dehumidifier control strategy optimization	Decreased 72,000 tons of CO ₂ / year
Factory facility energy efficiency improvement acceleration	Decreased 31,200 tons of CO ₂ / year

At the same time, CATL actively increased the ratio of using renewable energy consumption and continuously strengthened the construction of photovoltaic facilities. In 2021, the photovoltaic power generation reduced greenhouse gas emissions by 46,368 tons of carbon dioxide equivalent, and the ratio of green power consumption reached 22%, a further increase compared with 2020 (18%).

For the sake of better carbon management, CATL actively carried out greenhouse gas accounting. In 2021, the Company's overall carbon emissions per unit product (Scope 1 and Scope 2) decreased by 10.33% compared with 2020. To ensure the accuracy of the data, we will invite a third-party professional organization to carry out greenhouse gas audit, which will include the greenhouse gas emission data of the whole company in 2021 in Scope 1 and 2 and part of Scope 3.

CATL implemented up to 351 energy-saving projects in 2021	The energy-saving projects decreased 609,630 tons of carbon dioxide equivalent
Total photovoltaic power generation in 2021 reached 47.6547 million kWh	The ratio of green power consumption increased to 22%
Carbon emissions per unit product of CATL in 2021 (Scope 1 and Scope 2) is 10.33% lower than in 2020	

Use of Water Resources and Packaging Materials

CATL's water source is municipal water. In 2021, the Company actively carried out water-saving projects to improve the comprehensive utilization efficiency and reduce the consumption of water resources.

CATL Water Saving Projects in 2021 (Part)

Water Saving Projects
Hunan Brunp: The water-saving scheme of acid preparation of extraction lotion and renovation of cooling water system in workshop, saving water by 2 million m ³ / year
Hunan Brunp: Water-saving scheme of whole CS2 process
Hunan Brunp: Wastewater reuse of pure water machine, microporous filter wastewater recovery, etc.
Hunan Brunp: Water outlet diameter reduction of washbasin, mop pool, pure water pipe, mop pool, etc. in workshop
Hunan Brunp: recovery, treatment, replacement and reuse of polymer soaking solution

Packaging materials used by the Company include steel turnover boxes, stone cartons, plastic turnover boxes, etc. We have been seeking the green packaging solutions, giving priority to recyclable, degradable and low-consumption packaging materials, and carrying out packaging management in three aspects: recycled packaging materials, extreme packaging materials and composite packaging materials, and have achieved good results.

CATL Packaging Materials Reduction Project

① Recycled packaging material application project	<p>Material: Q235 steel (carbon structural steel) Applications: Battery packs, modules and other products Benefits:</p> <ul style="list-style-type: none"> • Can be reused as package for 5 years • The scrap iron can be recycled again • By the end of the reporting period, about 45,000 battery pack turnover boxes had been put into use, meeting the annual demand of about 360,000 battery packs • By the end of the reporting period, about 150,000 module turnover boxes had been put into use, meeting the annual demand of about 5.4 million modules
② Extreme packaging material application project	<p>Material: Plywood/corrugated paper Application: Smaller battery pack Benefit: Compared with traditional wooden cases, wood consumption can be reduced by up to 60%</p>
③ Composite packaging material application project	<p>Material: Plywood/honeycomb paper /PP plastic Application: Large battery pack Benefit: Compared with the traditional wooden box, wood consumption can be reduced by up to 50%</p>

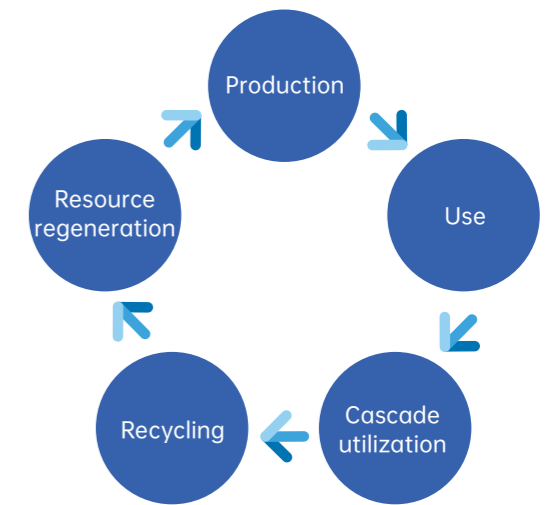
For more information about resource use and GHG emission performance, please refer to "Table of Key Performance - Table 2 and Table 3".

Green Ecology

CATL actively carries out research on battery material recycling and develops a sustainable battery value chain. Supported by Guangdong Brunp, a subsidiary of CATL, we conducted the research and development of directional recycling technology and cathode material synthesis technology so as to cooperate with the upstream and downstream of the industrial chain and scientific research institutes to build a closed loop of "battery production → use → cascade utilization → recycling and resource regeneration", so that raw materials can be recycled and more green products can be developed.

By the end of the reporting period, Guangdong Brunp reached a 120,000-ton waste battery disposal capacity, and achieved a recovery rate of 99.3% of nickel, cobalt and manganese metals.

Besides, through internal product carbon footprint calculation and external strategic cooperation, we carry out the whole life cycle carbon management at the product level to minimize the product carbon footprint.



Carbon footprint of product life cycle	<ul style="list-style-type: none"> • CATL has established the carbon footprint database of graphite anode and ternary anode, and continuously improved the calculation accuracy of the database • By the end of the reporting period, CATL had completed 25 carbon footprint reports of products and raw materials such as lithium-ion battery separator ND9 and electrolytic copper foil for lithium-ion battery
Strategic cooperation with some customers	<ul style="list-style-type: none"> • By using renewable energy, reducing carbon emissions in logistics, recycling batteries to reduce the use of raw materials and other measures, CATL provides customers with battery products that meet the carbon neutrality standards²

Note 2: Carbon neutrality standard battery: By using the recycled materials and renewable energy for battery production and other means, energy conservation and emission reduction can be achieved in battery manufacturing and business operation, and the carbon dioxide emissions generated can be offset in the process, so as to finally achieve zero carbon emission in battery production.



Sustainable Supply Chain

As a global leader in new energy innovative technologies, CATL has been committed to driving value enhancement of the whole industry chain. The Company shall continue to strengthen its responsible supply chain management ability to build a sustainable supply chain and help the healthy development of the industry.

Supply Chain Quality Management

The Company formulates the *Supplier Management Procedure* and other management systems to define the types, evaluation, selection and management of suppliers and other related responsibilities and ensure that the suppliers can meet the needs of the Company in a long-term, stable and high-quality manner.

The suppliers of CATL mainly include production material suppliers, non-production material suppliers and preparation suppliers. Based on the comprehensive consideration of such factors as quality, technology, cost, safety management, planning ability, etc., the Company divides the existing suppliers of production materials into three grades: the core, the important and the general, and carries out targeted management on suppliers of different grades as required.

The Company continues to carry out regular quality management for suppliers to ensure the quality of products and solutions from the source. In the supplier access process, the Company will check its quality management system certification. In the daily management, the Company regularly conducts quality assessments on suppliers, dynamically follows up the quality situation, assists suppliers in discovering quality problems and provides guidance to help them continuously improve the quality.

CATL adheres to the diversified management of suppliers, encourages each production base to promote the localization of suppliers or invite non-local suppliers to build factories in surrounding areas of the Company's production bases. While reducing the delivery cycle, it helps suppliers to quickly respond to and deal with product quality problems.

To promote suppliers' quality management level and assist them to tackle key quality problems and solve the pain points, CATL provides quality management trainings to suppliers from time to time, including Six Sigma Green Belt, DFMEA (Design Failure Mode and Effects Analysis), PFMEA (Process Failure Modes and Effects Analysis), SPC (Statistical Process Control), data analysis, engineering thinking and other trainings. In 2021, the Company invited lecturers from external institutions and internal experts to deliver courses for designated suppliers, key suppliers and new suppliers, thus promoting the improvement of suppliers' quality performance. Throughout the year, the Company carried out six special trainings on supplier quality, covering more than 280 suppliers including more than 100 core suppliers, and about 600 people. The proportion of suppliers with "Excellent" quality performance has been significantly improved after the training.

The Company selects "Quality Excellence Award" and "Quality Progress Award" every quarter based on the supplier's quality performance, compliance with major project development, quality progress, degree of cooperation, quality and technical communication, special quality improvement contribution etc. We will improve the cooperation willingness of suppliers with excellent quality performance through incentive methods such as praise letter, recognition announcement, physical prize and business cooperation policy preference. At the same time, the Company will commend the suppliers with excellent quality performance at the supplier conference and set an advanced example of quality, so as to improve the quality management awareness of all suppliers.

Supply Chain Quality Management System



Create a Responsible Supply Chain

Environmental and Social Risk Management

The Company is committed to building a fair, open, transparent and responsible supply chain, incorporates the sustainable development requirements into the new supplier access appraisal clauses, invites third-party organizations to conduct phased responsible mineral audit on upstream supply chain, implements environmental and social responsibility risk management for suppliers, so as to ensure that the products and services meet the requirements of sustainable development from the source.

Environmental and Social Responsibility Risk Management System for Suppliers

Supplier Access
<ul style="list-style-type: none"> We select suppliers strictly according to IATF16949, ISO9001, ISO14001 and other requirements, as well as local labor and environmental laws and regulations, and judge the qualification of suppliers through multi-party audit to determine their access to the Company's supply chain system. After the qualification is confirmed, the Company requires all new suppliers to sign documents such as <i>CATL Supplier Integrity Commitments</i>, <i>Safe and Civilized Service Agreement</i>, etc., in order to prevent suppliers from taking social responsibility risks.
Existing Supplier Assessment
<ul style="list-style-type: none"> We incorporate environmental protection, business ethics, social responsibility, etc. into supplier assessment, and regularly assess suppliers to reduce the environmental and social risks of supply chain.
Supplier Rectification and Promotion
<ul style="list-style-type: none"> Suppliers who fail to pass EHS (Environment, Health and Safety) audit will be rated by the Company according to the inherent risks and audit scores. According to the on-site audit and relevant laws and regulations, the Company will require the suppliers to add corresponding facilities, signs, etc., and complete all tasks for acceptance in time. According to the rectification time feedback from suppliers, the Company will track the rectification progress and conduct on-the-spot review, so as to effectively promote the improvement of suppliers.

The Company improves supplier management in terms of labor standards, occupational health and safety, environmental management, trade safety, anti-corruption and anti-commercial bribery, and audits the performance of suppliers in environmental protection and social responsibility, which are considered as the influencing factors of purchasing strategy.

Contents of Supplier Environmental Protection and Social Responsibility Audit

Environmental protection	Social responsibility
<ul style="list-style-type: none"> • ISO14001 environmental management system certification • Industrial emission permits for special industries • Environmental accident emergency plan • Fire safety • Chemical safety • Equipment and operation safety • Personal protection • Employee health 	<ul style="list-style-type: none"> • Provision of labor contract cases • Due Diligence Management of Responsible Mineral Resources Supply Chain • Prohibition of child labor • Labor security • Reasonable arrangement of employees' working hours • Commercial moral behavior

The Company continues to promote the sustainable development of existing suppliers, publicizes the sustainable development goals issued by the government, the Company, customers and their local authority to suppliers, and ask them to carry out relevant training and formulate specific implementation plans according to these goals. We also put forward quantitative sustainable development performance goals for core suppliers, including the use ratio of green power and recycled material, carbon emission intensity and energy consumption intensity per unit product, and make a request on improvement according to the current situation of suppliers to promote their sustainable development practice in operation.

We provide support for suppliers to achieve sustainable development goals. For suppliers who can't meet their goals temporarily, the Company will help them achieve their goals by examining their management status, providing solution suggestions, and providing practical operational cases and so on. The Company invites third-party professional organizations to carry out training and counseling on sustainable development for all core suppliers, and hold discussions and exchanges on product carbon footprint verification, enterprise greenhouse gas inventory, energy management, recycling material management, responsible mineral supply chain management, etc., so as to deeply understand their existing sustainable development management level, give targeted suggestions, and urge them to apply for ISO 50001 energy management system certification, etc.

In 2021, the Company conducted training and thorough investigation on 80% of the core suppliers of production materials including 14 types of materials such as graphite, copper foil, separator, electrolyte, aluminum profiles, etc., and finally prepared the comprehensive investigation reports of suppliers about greenhouse gas, energy consumption in 2020, usage of recycled materials, internal audit of social responsibility, etc.

Due Diligence Management of Responsible Mineral Resources Supply Chain

The utilization of mineral resources such as nickel, cobalt, manganese, lithium, graphite, mica, copper and aluminum are involved in the production and operation of the Company and its subsidiaries. The Company recognizes that there are risks that may have a significant negative impact on mining, trading, processing and exporting minerals in conflict-affected and high-risk areas. In view of this, CATL has formulated the *Due Diligence Management Policy for Responsible Mineral Resources Supply Chain* and the *Complaint Mechanism of CATL Responsible Mineral Resources Supply Chain* to carry out responsibility management of mineral resources supply chain.

Based on the Company's internal system and OECD guidelines, CATL carries out due diligence management of responsible mineral supply chain to manage and reduce the risks of the Company's supply chain in advance. Among CATL's policies, the *Due Diligence Management Policy for Responsible Mineral Resources Supply Chain* adopts the *Guidelines of China for Due Diligence Management of Responsible Mineral Supply Chain* issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers and Exporters (CCCME), and the *Guidelines of OECD for Due Diligence Management of Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* issued by the Organization for Economic Cooperation and Development (OECD), and the regulations of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* regulating the Tantalum, Tin, Tungsten and Gold minerals in conflict areas.

Besides self-management, CATL clearly provides that the suppliers shall not use minerals from conflict areas and in violation of the Company's policy and requires the suppliers to regulate their lower tier suppliers based on this principle.

Procedures for Due Diligence Management of Responsible Mineral Resources Supply Chain



In 2021, CATL conducted 50 supplier due diligence audits of responsible mineral supply chain involving cobalt, lithium, nickel, graphite, copper, aluminum and mica, which cover the whole supply chain of all the above mineral types. Compared with the first-stage due diligence audit in 2020, the due diligence audit in 2021 covered a wider range of mineral types and more suppliers. According to the due diligence audit results in 2021, no major problems such as child labor, inhuman treatment, forced labor, armed conflict, ecological damage were found.

For more information about supply chain management performance, please refer to "Table of Key Performance - Table 4".

Products and Services

CATL enjoys core technical advantages and sustainable R&D capabilities in key areas of the industry chain. Based on high-standard quality management and comprehensive customer service system, we provide premier solutions and services for new energy applications worldwide.

Product R&D Innovation

R&D Platform Construction

To promote the continuous innovation of products, CATL attaches importance to the development and encouragement of R&D talent, and guides employees to give full play to their innovative ability. By the end of the reporting period, we had established a R&D team of 10,079 people, including 2,086 masters and 170 doctors, with a total R&D investment of RMB 7,691.43 million yuan.

The Company will give cash and score incentives to employees who have obtained patent proposals, patent authorizations and computer software copyrights. Meanwhile, we also set up additional rewards for inventors and personnel of high-quality patent achievements to ensure the competitive advantage of our technical products in the market. In addition, to fully mobilize employees' enthusiasm for independent innovation, we link employees' contribution to intellectual property with performance appraisal, job titles, and promotion.

To further stimulate the innovation vitality of CATL and inspire employees' innovation, CATL launched the first creative platform CATL Innovation Research (CIR Innovation Platform for short) with the theme of "Innovation and Collaboration" in 2021. Employees put forward ideas on the online platform, and, after the originality audit, they will be coached and reviewed by senior professionals. The approved ideas will be funded by the Company for pre-research, and successful pre-research projects will be verified or implemented at the Company level. In 2021, the CIR Innovation Platform attracted a total of 1,019 employees from 29 departments, who put forward 2,553 creative proposals, providing a solid platform guarantee for CATL to build an innovative culture.

CATL also attaches great importance to the technological innovation system that involves industry, university and research institutions, and actively establishes the cooperative relationship in terms of talents and scientific research and development with well-known universities and research institutions at home and abroad, so as to further strengthen the innovation capability. In 2021, we cooperated with 29 well-known universities and research institutes such as Tsinghua University, Shanghai Jiao Tong University, Xiamen University and Chinese Academy of Sciences, and established the Industry-University-Research joint research and development innovation platforms such as CATL-Shanghai Jiaotong University Clean Energy Technology Joint Research Center, CATL-Institute of Physics of Chinese Academy of Sciences Clean Energy Joint Laboratory and CATL Xiamen Institute of New Energy.

For more information about product R&D and innovation performance, please refer to "Table of Key Performance-Table 5".



CATL's Innovation Team Is Awarded the Title of "National Advanced Group of Professional and Technical Talent"

The "National Outstanding Professional and Technical Talent" is a great honor granted by the state to professional and technical personnel, to commend those leading talent and innovative groups who have contributed to key national strategies, key construction projects, key basic scientific research and key core technology research related to the high-quality development of the economy and the society. In November 2021, CATL's new lithium-ion battery development and application innovation team headed by Zhao Fenggang, co-president of R&D system of CATL, was awarded the title of "National Advanced Group of Professional and Technical Talent" at the 6th National Outstanding Professional and Technical Talent Commendation Conference sponsored by the Organization Department of the CPC Central Committee, the Publicity Department of the CPC Central Committee, the Ministry of Human Resources and Social Security of the People's Republic of China and the Ministry of Science and Technology of the People's Republic of China.

Protection of Intellectual Property Rights (IPR)

Intellectual property right is the core asset of a company and the source and guarantee of company value. CATL adheres to the principle of "Respecting the IPR of others and protecting our own IPR", and promotes the high-quality development of the Company's business with sound IPR management. We have formulated the *Regulations on Intellectual Property Incentive*, *Regulations on The Establishment and Operation of Patent Management Committee* and *Methods for Patent Application Evaluation* and other documents to implement the whole-process standardized management on the creation, management, application and protection of the Company's IPR.

We set up two patent management committees as the framework guarantee for IPR protection. Among them, the CATL Patent Management Committee is responsible for the strategic planning of the Company's IPRs, ensuring the achievement of IPR-related goals. In 2021, in order to realize the high-quality development of intellectual property right work, the Company set up patent management committees for each business section of 12 departments, built a patent evaluation database covering more than 100 experts, conducted hundreds of patent evaluations, and established a patent grading evaluation system.

CATL also pays attention to IPR management during foreign cooperation. At the beginning of the cooperation, the Company and its partners shall make clear the ownership, use, maintenance and risk response of IPRs, and conclude a contract to protect the Company's IPRs and provide partners with a reliable mechanism for sharing R&D results at the same time. In 2021, the Company signed several agreements on IPRs with international partners.

In addition, CATL actively carries out IPR protection work. The Company has set up a market and technology investigation department to track the technology and market of products similar to the Company's in the market, and give timely warning to products that maliciously infringe the Company's patent achievements. The patent department of the Company is responsible for investigating malicious infringement, obtaining evidence properly, giving warnings, conducting litigation, etc., to safeguard CATL's legitimate rights and interests.

Data and Performance

- **Patents:** By the end of the reporting period, CATL and its branches and subsidiaries had 3,772 valid domestic patents and 673 valid overseas patents, and a total of 5,777 domestic and foreign patents were under application
- **Certification:** Certified by the intellectual property management system in 2020 and qualified in 2021
- **Award:** In 2021, CATL won the "China Automobile Intellectual Property Outstanding Enterprise Award"
- **Projects:** In 2021, CATL successfully applied for "Special Patent Research of the State Intellectual Property Office" and CATL-JS successfully applied for "Strategic Promotion of Enterprise Intellectual Property"



Product Quality Management

Quality Management System

Excellent products and services are the foundation of CATL's business. We set up a quality management system suitable for the Company's business characteristics, and practice comprehensive quality assurance and quality protection based on the policy of "Perfect quality exceeding customer expectations is the unremitting pursuit of all employees".

CATL has passed ISO9001:2015 quality management system certification and IATF16949:2016 quality management system certification for automobile industry, and has continuously maintained the effective operation of the quality system. The Company boasts a testing and verification center certified by China National Accreditation Service for Conformity Assessment (CNAS), which provides strong technical support for the R&D and verification of new technologies and the monitoring and verification of process products.

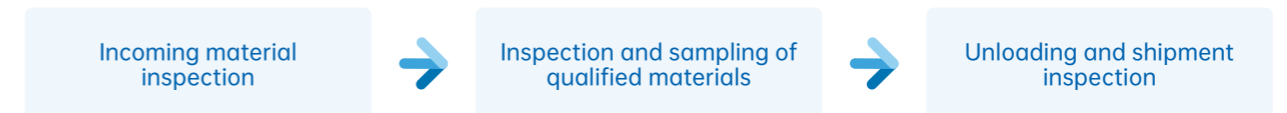
CATL sets the quality indicators such as the qualified rate of incoming material inspection, the first-pass rate of manufacturing process, the failure rate, etc., and makes regular assessment on a monthly and annual basis, fully realizing quality lifecycle management of products through project quality management, supplier quality management and process quality management.

Quality Lifecycle Management System

Project quality management	<ul style="list-style-type: none"> Fully identify customers' needs, complete the application of double "V" model of products and processes from demand through scheme to verification according to the product development process, and implement the requirement of "Management in Advance"
Supplier quality management	<ul style="list-style-type: none"> Through supplier quality performance appraisal, ability training and promotion, and excellent supplier motivation, to achieve a win-win situation with suppliers Require suppliers to sign a "Guarantee on No Use of Prohibited Substances", to ensure that the finished products delivered to customers comply with EU ELV, REACH (Registration, Assessment, Licensing and Restriction of Chemicals) regulations and customer requirements
Process quality management	<ul style="list-style-type: none"> Comprehensively identify the key process and elements of process management from the aspects of people, machine, material, method, environment and measurement to ensure the consistency of product quality
Customer quality management	<ul style="list-style-type: none"> Establish efficient customer response mechanism and professional failure analysis team, and make continuous efforts to improve customer satisfaction
Quality system management	<ul style="list-style-type: none"> Use the quality assessment tools, assign quality assessment indicators to all employees to enhance their quality awareness Continuously improve the quality management system through annual internal audits, external audits and management reviews to ensure the complete and effective operation of CATL's quality management system Establish the quality training system at company level, department level and team level. Carry out all-staff quality training during new employee orientation with 100% coverage of employee's quality training; Every year, quality training is organized both online and offline, including 51 quality-related general skills and professional technology courses such as 8D problem solving, 7 QC tools and 6Sigma. In 2021, the Company conducted 110 offline trainings, combining with assessment to improve the training effect, and each person was required to participate in at least one quality knowledge training; CATL also established an online training system, through which all employees can attend quality training courses Formulate the <i>Incentive Plan for Quality Control Lecturers and Trainees</i> to reward outstanding employees in training courses

Quality Inspection

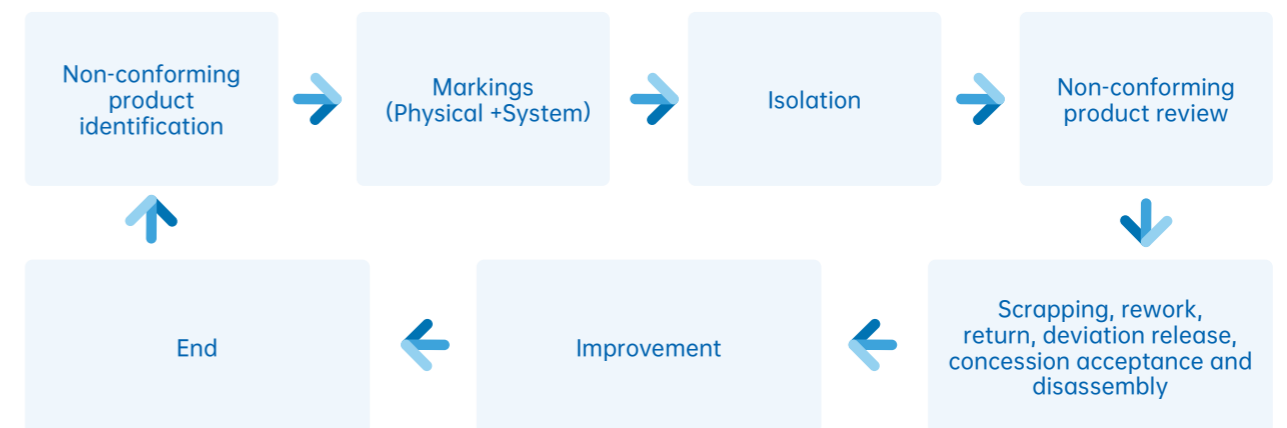
Boasting the comprehensive product inspection capability, CATL carries out preventive inspection for possible product quality problems in each link to ensure product quality. In the material incoming stage, IQC (Incoming Quality Control) is conducted for material quality inspection to ensure that the materials used in production meet requirements. While monitoring the process, PQC (Process Quality Control) will be conducted to patrol the process to ensure that the operation meets the requirements. QC (Quality Control) will be performed to inspect the products before unloading and before shipment to ensure that the finished products meet the shipping requirements.



Nonconforming Product Management

CATL formulates the *Nonconforming Product Control Procedure* to standardize the nonconforming product management procedure through business process and on-site process, form a closed-loop operation of identification, marking, isolation, review, disposal and improvement, and define the responsible department for each process to strictly control the quality.

Nonconforming Product Closed-loop Management



When people or equipment identify suspicious or nonconforming products, we first identify them with physical red mark or system mark and place them in the designated isolation area. After the review and judgement by the quality assurance unit, relevant departments will scrap and rework the nonconforming products according to the judgment results, and then analyze the data of nonconforming products for improvement and continuous monitoring.

If a defective product causes an accident, the Company will immediately take damage control measures, find out the cause and thoroughly eliminate the problem. If necessary, CATL will recall the defective products and immediately release information about the defect to customers and consumers. To prevent such incidents, we establish an internal system to properly keep the information and solutions of defective products to achieve continuous improvement.

Product Safety Management

Product safety management constitutes a key part for product quality assurance. CATL has its specialized departments and professional engineers to carry out the product safety system construction and product safety standardization, and has established company-level standards for reliability and safety testing of cells, modules and battery packs, and specified the reliability and safety testing procedures of battery products.

CATL has specially set up a safety, reliability and mechanism simulation department, which develops and continuously optimizes reliability analysis methods and models through mechanism simulation, failure analysis, development of new test methods and standardization of test methods, so as to realize product reliability risk management and data management in the whole process of technical elements, product development and mass production, and ensure product reliability and safety. At the same time, we have Verband der Automobilindustrie (VDA) certified product safety engineers, who can audit and confirm product safety and reliability issues in the process of product design, production, transportation, maintenance and recycling, and provide professional improvement suggestions.

Customer Rights and Interests Protection

After-sales Services

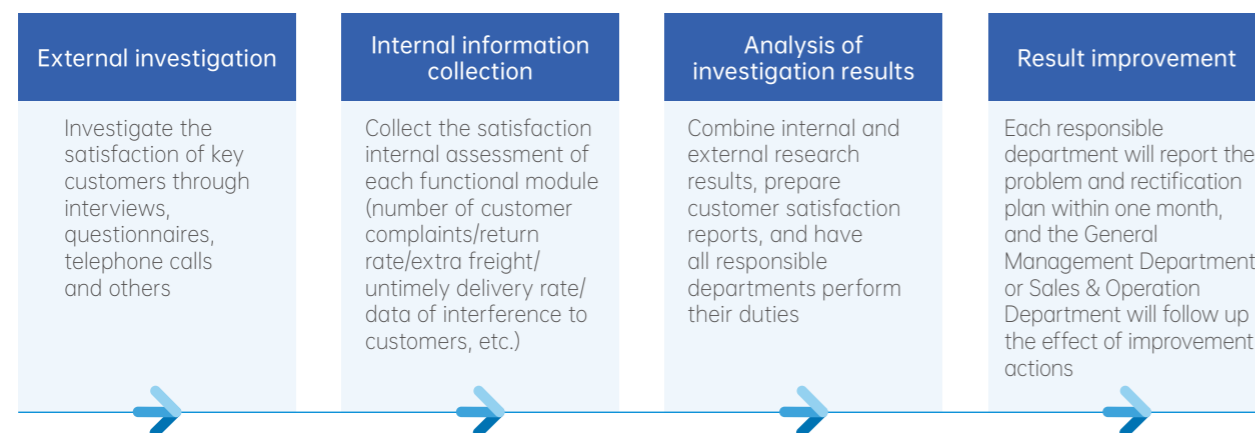
CATL upholds the service concept of "Result-oriented, Fast Service" and establishes a sound after-sales system. We obtained the five-star certificate of national after-sales service certification in 2017 and the seven-star (excellence) certificate of after-sales service system perfection degree certification evaluation (CTEAS) in 2019. Both certificates are within the validity period.

We have formulated systematic customer after-sales service management documents such as *Quality Complaint Handling Process*, *Customer Negative Feedback* and *Complaint Handling*, specifying special personnel to be responsible for customer complaints and standardizing the demands of customer response efficiency. In addition, the Company has established a customer complaint quality management system to improve the efficiency of customer problem recording and handling.

Customers can make complaints or report problems through the 24-hour free service hotline 400-918-0889, and CATL's customer service staff will promptly handle the feedback and request internal rectification within one hour. For customers' maintenance request, we will complete the general fault repair within 8 hours and the difficult fault treatment within 72 hours. After the complaint is handled, we will report to and communicate with the customer, and then close the complaint. The Company's complaint closure rate remained at 100%.

According to the *Customer Satisfaction Management Procedure*, the General Management Department and the Sales & Operation Department conduct satisfaction surveys on domestic and international customers every year, and manage customer satisfaction through the following processes. In 2021, we completed the satisfaction survey on 98 customers to understand customers' demands deeply. Based on the survey results, CATL has set up a special team to improve the pain points of customers.

Customer Satisfaction Survey Process



In 2021, CATL participated in the preparation of the standard *After-sales Service Requirements of Traction Battery Industry* (T/CGCC 52-2021) as the main drafting organization. It is the first service standard in the EV battery industry, aiming to regulate the service behavior of the EV battery industry in order to improve the service quality.

Release of the First After-sales Service Standard for EV Battery Sector Mainly Drafted by CATL

In July 2021, the standard *After-sales Service Requirements of EV Battery Industry* initiated by the China General Chamber of Commerce and drafted by Contemporary Amperex Technology Co. Limited., (CATL) and other organizations has been implemented nationwide. The standard has established rules on the after-sales service of the EV battery sector for the first time from the aspects of resource construction, personnel requirements, delivery services, battery recycling, service quality assurance, and others. Moreover, it makes up for the service specification gap of subdivision field, helping to make its service become more standardized and measurable.

Information Security Protection

CATL always adheres to the information security policy of "Focus on Risks, Put Prevention First, Strengthen Awareness, Combine Technologies with Management, Involve All the Staff," attaches great importance to information security management, refers to international best practices in production and business activities, and builds an information security management system with high standards and full coverage that complies with regulatory requirements, laying a good information security foundation for serving domestic and international customers.

We strictly abide by the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and the *General Data Protection Regulation (GDPR)* of the European Union and other national or regional laws and regulations to conduct business. With the rapid development of business, CATL's scope of information security management has also been extended to upstream and downstream supply chains.

CATL sets up the Security and Secrecy Committee (SSC) and the Security and Secrecy Office (SSO) under it to jointly carry out information security management with the Environmental Health and Safety Department, the Corporate Planning Department and the Business Process and Information Technology Department, so as to enhance the Company's ability of continuous and safe business operation. The Security and Secrecy Office has five teams, respectively responsible for security strategy decision-making, security technology research, security intelligence analysis, security scheme implementation and security incident response, and carries out specific work covering all production bases of CATL with the support of external consulting agencies, testing agencies and auditing agencies.

Under the guidance of SSO and the cooperation of various departments and teams, we set up an information security management system to improve the Company's security management level from four aspects: system management documents, security protection technology, supplier information security and security awareness of all employees.

Information Security Management System

System Management Document	Safety Protection Technology
<ul style="list-style-type: none"> Formulate internal management documents such as the <i>Personal Information Protection Management Procedure</i> and the <i>Compliance Management Procedure of Laws and Regulations</i> All employees are required to sign the <i>Confidentiality Contract</i>, and the engineers and higher-ranking employees are also required to sign the <i>Confidentiality and Non-competition Agreement</i> when they join CATL If there is a need for cross-border data transfer, a data cross-border transfer agreement should be signed 	<ul style="list-style-type: none"> Develop a data leakage prevention system to intelligently judge whether to intercept, approve and allow data transmission according to personnel behavior, data security level and defined rules Deploy DPI (Deep Packet Inspection) traffic analysis platform to monitor the whole company's traffic in real time and intercept and dispose malicious traffic A face recognition system is set up according to the <i>Instruction Document of Human Information Protection of Biometric System</i> to prevent non-employee personnel from entering the Company to steal information, and to reduce the risk of personal contact during the epidemic

Supplier Information Security	Security Awareness of All Employees
<ul style="list-style-type: none"> The whole lifecycle information security management of supplier includes classification, access, fixed-point evaluation, cooperation, performance and elimination mechanism Sign a data processing agreement with specific suppliers Since 2019, the supply chain information security audit has been carried out regularly, covering information security organization and strategy, personnel management, physical security, data security, information security incidents and other fields, thus to identify information security risks and counsel suppliers for rectification and promotion 	<ul style="list-style-type: none"> Each quarter, the Security and Secrecy Office conducts information security training and examination for all employees through E-learning system, including personal information security, malicious mail training and other topics The Security and Secrecy Office will cooperate with the Human Resources Department to carry out information security training and assessment for new employees at least once a week, and the course time is one hour
Progress in 2021 <ul style="list-style-type: none"> Signed agreements with a total of 1,356 suppliers By the end of the reporting period, information audit was conducted on 100+ suppliers, and the results increased from 40 points to 65 points 	Progress in 2021 <ul style="list-style-type: none"> A total of 172,270 people participated in quarterly information security learning, and the passing rate was 100%

By the end of the reporting period, CATL, CATL-JS and CFBC had passed ISO/IEC 27001 information security management system certification and the very high protection level evaluation of Trusted Information Security Assessment Exchange (TISAX). During the reporting period, the Company has not been punished by relevant departments for violating relevant laws and regulations on information security and privacy protection.

CATL Passed TISAX's Highest Level of Information Security Assessment
<p>TISAX is an information security assessment and data exchange security mechanism in the European automotive industry and provides three levels of assessment. As the first batch of Chinese enterprises to pass the TISAX Assessment Level 3 in 2019, CATL has laid a solid foundation for building information security management system.</p> <p>With continuous improvement in its information security, CATL has passed the TISAX's Assessment Level 3 again in 2021, showing that CATL's protection of the availability, integrity and confidentiality of key information assets (including customer data) has reached the highest standard of the European automotive industry.</p>

Responsible Marketing

CATL persists in responsible sales and marketing, and provides accurate and comprehensive information in market development, customer sales and product label management. At the same time, we integrate the awareness of compliance into the whole process of business development and contract management to standardize the compliance of Marketing Department, sales team and product team in the business process.

We attach great importance to the training of employees, for example, all sales staff should participate in trainings related to responsible marketing, customer communication and anti-corruption regularly; all marketing staff are required to participate in a series of "Must-know and Must-do" training and assessment every quarter, including laws and regulations, business knowledge, business etiquette and marketing system.

Marketing Department	<ul style="list-style-type: none"> Have sharp insight into the market to find business growth opportunities and support high-level strategic decisions, and develop brand marketing to enhance market performance and competitive premium
Sales Team	<ul style="list-style-type: none"> Develop strategy according to the market, provide customers with accurate and comprehensive product information, and clarify customers' strategies and action plans Further clarify customers' needs according to the strategy implementation process, treat all customers fairly, and conduct sample tests and provide real data based on customers' needs
Product Team	<ul style="list-style-type: none"> Attach a warning label to the eye-catching position of the product to warn customers and terminals to avoid accidents caused by improper operation. At the same time, the after-sales service team shall provide the customers and terminals with maintenance manuals of easy-to-understand and detailed descriptions to guide them to use products correctly



Environmental Protection

While focusing on the business development, CATL also pays attention to improving the environmental management system by continuously reducing the impact of its own operations on the environment. We always believe that achieving harmony and win-win with the environment and society is an important part of fulfilling our responsibilities.

Environmental Management System

Taking "Protect the Earth, Implement Clean Production, Build Green Culture" as the environmental guideline, according to ISO 14001:2015 environmental management system and the Company's conditions, CATL drew up the *Environmental Management Manual* as the framework document of its environmental management system. The Safe Production Committee is responsible for formulating CATL's environmental management objectives and performance, system documents and management strategies, and organizing each production base to carry out environmental factor identification, compliance review, internal audit, management review, etc. The Occupational Health and Safety Department shall promote the implementation of various environmental protection systems and the successful completion of various indicators. By the end of the reporting period, 12 subsidiaries which had put into production in the battery production sector had completed the construction of environmental management systems, among which 5 companies that had been stably put into operation had passed ISO14001:2015 environmental management system certification.

We have formulated the environmental management goal of "Zero Environmental Accident³". During the reporting period, CATL had not been exposed to any major environmental accident, or any major environmental protection or other major social security problem.

Subsidiaries Certified by ISO14001

Battery production sector	Others
<ul style="list-style-type: none"> Contemporary Amperex Technology Co., Limited Qinghai Contemporary Amperex Technology Limited Jiangsu Contemporary Amperex Technology Limited United Auto Battery Co., Ltd. Dongfeng Amperex (Wuhan) Battery System Co., Ltd. 	<ul style="list-style-type: none"> Guangdong Brunp Recycling Technology Co., Ltd. Hunan Brunp Recycling Technology Co., Ltd. Hunan Brunp EV Recycling Co., Ltd. Pingnan Contemporary Amperex Technology Limited

In strict accordance with the *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations, CATL has completed the environmental impact assessment of construction projects, and obtained environmental protection administrative licenses such as pollutant permit and radiation safety license as required. In 2021, we invested RMB 218.543 million in environmental protection and technology development.

Besides, CATL prepared the *Emergency Plan of CATL for Environmental Incidents* according to the *National Emergency Plan for Environmental Incidents* and other relevant documents. In 2021, we carried out various emergency drills, including sewage leakage drills in sewage treatment stations, emergency drills for failure of waste gas treatment facilities and for hazardous waste leakage accidents, etc., so as to train employees' emergency response capabilities and reduce the possible harm of environmental emergencies to the environment.

Note 3: According to CATL's classification and definition of accidents, the accidents refer to environmental pollution/ecological damage involving an area greater than or equal to 1,500 square meters, or sudden environmental incidents that are classified as average or above by the Ecological Environment Department.

Pollutant Emission Management

CATL strictly abides by the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Emission Standard of Pollutants for Battery Industry and other laws and regulations to carry out pollutant management.

For the wastewater, waste gas, hazardous waste and general industrial solid waste generated in the production and operation process, we have formulated an effective internal management system, monitored various emission indicators according to national and regional emission standards, and executed strict management to ensure compliant treatment and emission. At the same time, according to the Company's actual situation, we set an annual reduction plan, took active measures, and formulated an environmental self-monitoring plan. Every year, we entrust a qualified third-party monitoring organization to regularly monitor wastewater, waste gas, noise, soil and groundwater. In 2021, all environmental monitoring results of CATL met the emission standards. For more information about pollutant emission performance, please refer to "Table of Key Performance - Table 6".

Wastewater	<p>Management system: <i>Procedures for Control and Management of Wastewater Discharge</i></p> <p>Discharge category: Domestic sewage and production wastewater</p> <p>Detection indicators: Production wastewater: nickel, cobalt, manganese, Chemical oxygen demand (COD), suspended solids (SS), total phosphorus, total nitrogen, ammonia nitrogen, etc. Domestic sewage: Chemical oxygen demand (COD), Biochemical Oxygen Demand (BOD), suspended solids (SS), total phosphorus, total nitrogen, ammonia nitrogen, animal and vegetable oils, etc.</p> <p>Pollution prevention facilities: Build industrial wastewater treatment stations, treatment stations of oily wastewater from canteens, septic tanks, etc., and entrust professional organization for operation and maintenance management</p> <p>Treatment method: CATL-JS and UABC achieved zero discharge of industrial wastewater; After pretreatment in Ningde production base area, the wastewater will flow into the sewage treatment station of Ningde North District for further treatment</p> <p>Reduction measures: Reduce water consumption to reduce the amount of wastewater</p>
Waste gas	<p>Management system: <i>Procedures for Control and Management of Exhaust Gas Emission</i></p> <p>Emission category: Boiler waste gas, production waste gas, incineration tower waste gas and sewage treatment station waste gas</p> <p>Detection indicators: Sulfur dioxide, nitrogen oxides, non-methane total hydrocarbons, particulate matter, etc.</p> <p>Pollution prevention facilities: Build high-efficiency dust removal equipment, NMP (N-Methylpyrrolidone) condensation recovery system and catalytic combustion system, etc., with special personnel responsible for their normal operation and maintenance</p> <p>Treatment method: Treated by the corresponding waste gas treatment facilities and discharged after reaching the standard</p> <p>Reduction target: By 2025, the emission of nitrogen oxides per unit of revenue will be reduced by 10% compared with 2021</p> <p>Reduction measures: Import low nitrogen combustion boiler</p>

Hazardous waste	<p>Management system: <i>Procedures for Control and Management of Solid Waste Pollutions and Annual Management Plan for Hazardous Wastes</i></p> <p>Discharge category: waste electrolyte, waste glue bucket, waste glue, etc.</p> <p>Pollution prevention facilities: Build hazardous waste storage rooms</p> <p>Treatment method: entrust a qualified organization for treatment</p> <p>Reduction measures:</p> <ul style="list-style-type: none"> • Real-time material counting to eliminate waste • CATL-JS: Cancel the second injection; reduce the injection volume for the first time and improve the utilization rate of structural adhesive of the module
General industrial solid waste	<p>Management system: <i>Procedures for Control and Management of Solid Waste Pollutions</i></p> <p>Discharge category: NMP waste liquid, waste aluminum foil, waste copper foil, waste pole piece, etc.</p> <p>Pollution prevention facilities: Build general industrial solid waste storage rooms</p> <p>Treatment method:</p> <ul style="list-style-type: none"> • NMP waste liquid: The downstream supplier shall rectify, recycle and sell it • Waste aluminum foil and copper foil: Smelted by downstream suppliers • Scrap pole piece: Downstream suppliers shall purify metals such as nickel, cobalt and manganese <p>Reduction measures: Develop and optimize production equipment, improve the utilization rate of raw and auxiliary materials, and reduce the amount of solid waste</p>

In 2021, CATL, CATL-JS, UABC and Hunan Brunp were listed as key pollutant discharge enterprises by the local Ecological Environment Department according to the following environmental factors identification.

CATL Main Emission Analysis Table

Company Name	Main Emissions			
	Waste Gas	Wastewater	General Industrial Solid Waste	Hazardous Waste
CATL	Nitrogen oxide, sulfur dioxide	Chemical oxygen demand (COD), ammonia nitrogen	NMP (N-methylpyrrolidone) waste liquid, waste aluminum foil, waste copper foil, waste pole pieces, waste battery cells, etc	Waste electrolyte, waste glue bucket, waste glue, etc
CATL-JS				
UABC				
Hunan Brunp				

According to the relevant regulations of the CSRC (China Securities Regulatory Commission), the stock exchange and the Ministry of Ecology and Environment of the People's Republic of China, CATL discloses the emission and ecological environment administrative license information of its subsidiaries included in key pollutant discharge enterprises, as shown in the following table.

Pollutant Discharge of Key Polluters

Name of company or subsidiary	Name of major and specific pollutants	Emission mode	Number of outlets	Distribution of outlets	Average concentration	Emission standards	Total emissions	Approved annual total emissions	Excessive emissions
CATL	Chemical oxygen demand (COD)	Discontinuous emission	3	CATL Ningde Production Base	32 mg/L	150 mg/L, the standard of indirect emission amount in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013)	7.51 tons/year	16.42 tons/year	None
	Ammonia nitrogen	Discontinuous emission	3	CATL Ningde Production Base	2.31 mg/L	30 mg/L, the standard of indirect emission amount in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013)	0.75 tons/year	2.20 tons/year	None
	Oxynitride	Discontinuous emission	28	CATL Ningde Production Base	96 mg/m ³	200 mg/m ³ , the standard of gas boiler in Table 2 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	92.70 tons/year	232.23 tons/year	None
	Sulphur dioxide	Discontinuous emission	28	CATL Ningde Production Base	3 mg/m ³	50 mg/m ³ , the standard of gas boiler in Table 2 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	2.90 tons/year	39.25 tons/year	None
CATL-JS	Chemical oxygen demand (COD)	Zero discharge of industrial wastewater	None	--	--	--	--	--	--
	Ammonia nitrogen	Zero discharge of industrial wastewater	None	--	--	--	--	--	--
	Oxynitride	Discontinuous emission	6	CATL-JS Liyang Production Base	41 mg/m ³	150 mg/m ³ , the standard of gas boiler in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	18.85 tons/year	64.26 tons/year	None
	Sulphur dioxide	Discontinuous emission	6	CATL-JS Liyang Production Base	3 mg/m ³	50 mg/m ³ , the standard of gas boiler in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	1.24 tons/year	24.16 tons/year	None
UABC	Chemical oxygen demand (COD)	Zero discharge was achieved after connecting the industrial wastewater pipe to CATL-JS	None	--	--	--	--	--	--
	Ammonia nitrogen	Zero discharge was achieved after connecting the industrial wastewater pipe to CATL-JS	None	--	--	--	--	--	--
	Oxynitride	Discontinuous emission	3	UABC Liyang Production Base	20 mg/m ³	150 mg/m ³ , the standard of gas boiler in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	3.84 tons/year	23.1 tons/year	None
	Sulphur dioxide	Discontinuous emission	3	UABC Liyang Production Base	3 mg/m ³	50 mg/m ³ , the standard of gas boiler in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB 13271-2014)	0.58 tons/year	8.69 tons/year	None
Hunan Brunp	Chemical oxygen demand (COD)	Discontinuous	2	Hunan Brunp Ningxiang Production Base	176 mg/L	Maximum allowable discharge concentration 500 mg/L, grade 3 in the Table 4 of the <i>Integrated Wastewater Discharge Standard</i> (GB 8978-1996)	30.24 tons/year	121.21 tons/year	None
	Ammonia nitrogen	Discontinuous	2	Hunan Brunp Ningxiang Production Base	5.93 mg/L	Maximum allowable discharge concentration 45 mg/L, grade B in the Table 1 of the <i>wastewater Quality Standards for Discharge to municipal Sewers</i> (GB/T 31962-2015)	3.02 tons/year	22.10 tons/year	None
	Nitrogen oxide	Discontinuous	1	Hunan Brunp Ningxiang Production Base	25 mg/m ³	Maximum allowable emission concentration 240 mg/m ³ , grade 2 in the Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB 16297-1996)	3.92 tons/year	4.45 tons/year	None
	Sulphur dioxide	Discontinuous	1	Hunan Brunp Ningxiang Production Base	6 mg/m ³	Maximum allowable emission concentration 850 mg/m ³ , grade 2 in the Table 4 of the <i>Emission Standard of Air Pollutants from Industrial Kiln and Furnace</i> (GB 9078-1996)	1.03 tons/year	3.81 tons/year	None

Ecological Environment Administrative Permit Details

Company Name	Number	Approval Document	Acquisition Time
CATL	Dong Qiao Huan Shen [2021] No.6	EIA Approval for CATL Innovation Laboratory Construction (Phase I) Project	June 15, 2021
	Ning Dong Qiao Huan Ping [2021] No.14	EIA Approval for CATL Huxi Lithium-Ion Battery Expansion Project (Phase II)	November 9, 2021
	Ning Dong Qiao Huan Ping [2021] No.16	EIA Approval for CATL Positive Material and Negative Graphite Test Line Project	December 30, 2021
	Min Huan Fu Zheng [00330]	Extension of Radiation Safety Permit	May 19, 2021
	Min Huan Fu Zheng [00330]	Re-Application for Radiation Safety Permit	August 24, 2021
CATL-JS	Chang Li Huan Shen [2021] No.22	EIA Approval for Lithium-Ion Battery Test Project of CATL-JS	January 27, 2021
	Chang Li Huan Shen [2021] No.112	EIA Approval for Technological Transformation Project of Lithium-Ion Battery Production Technology of CATL-JS	August 10, 2021
	Chang Li Huan Shen [2021] No.116	EIA Approval for R&D And Production Project (Phase IV) Of Power and Energy Storage Lithium-Ion Battery of CATL-JS	August 13, 2021
	Su Huan Fu Zheng [D0310]	Re-Application for Radiation Safety Permit	February 1, 2021
	Su Huan Fu Zheng [D0310]	Re-Application for Radiation Safety Permit	August 3, 2021
UABC	91320481MA1P5JKJ34001T	Re-Application for Sewage Discharge Permit	November 16, 2021
	Su Huan Fu Zheng [D0337]	Re-Application for Radiation Safety Permit	August 2, 2021
Hunan Brunp	Chang Huan Ping (Ningxiang) [2021] No.81	Approval for the Modification of Environmental Impact Reports of The Waste Power Battery Recycling Industry Expansion Project and Technical Transformation Project of Hunan Brunp	December 2, 2021
	Chang Huan Ping (Ningxiang) [2021] No.82	Approval for Environmental Impact Report of 100,000 Tons/Year Power Battery Recycling Project of Hunan Brunp	December 2, 2021
	914301246707605788002V	Re-Application for The Sewage Discharge Permit of Hunan Brunp (Factory No.2)	September 17, 2021



Development of Employees

CATL's development depends on the growth of talents. We respect and care for every employee, strive to protect their legitimate rights and interests, provide them with complete training and sufficient development opportunities, and dedicate to everyone's long-term personal development in a healthy and safe environment.

Employee Rights and Benefits

Employee Employment

CATL strictly abides by the *Labor Law of the People's Republic of China*, the *Civil Code of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China* and other relevant national and local laws and regulations at home and abroad, respects and protects the legitimate rights and interests of employees, and creates an equal and diverse workplace.

The Company has formulated sound human resource management system and policies, standardized management of recruitment and dismissal, remuneration and promotion, working hours and holidays, and created a high-quality career development platform for employees. During the reporting period, both the Company's labor contract signing rate and social insurance contribution rate of employees under the labor contract system were 100%. For more information about employee employment performance, please refer to "Table of Key Performance - Table 7".

Employee Rights and Interests	Management Mode
Recruitment and Dismissal	<p>Recruitment: CATL formulates the <i>Management Rules for Social Recruitment</i> and other management systems and upholds the principle of "Openness and Fairness" to treat all applicants equally and recruit workers on a selective basis. The Company strictly abides by the relevant provisions of the <i>Personal Information Protection Law of the People's Republic of China</i>, and adopts such electronic tools as online authorization to sign personal data, so as to ensure that the enterprise obtains consent to use employees' personal information before they take office and standardize the management of the protection of employees' personal privacy data in HR management.</p> <p>Dismissal: The Company and employees shall handle the dismissal matters according to the local laws and regulations of the place of operation.</p>
Remuneration and Promotion	<p>Remuneration: Uphold the principle of equal pay for equal work. The remuneration structure varies with rank and position. The remuneration mainly includes basic salary, work allowance, performance salary, overtime wage, etc.</p> <p>Promotion: The Company implements the principle of open, fair and just promotion principle, and establishes a scientific promotion management process through continuous optimization, so as to ensure that outstanding talents can be discovered and gain personal career growth.</p>
Working Hours and Holidays	<p>Working hours: CATL establishes corresponding management systems to ensure that working hours in different places of operation meet the requirements of local laws and regulations. The Company arranges different shifts according to the production needs, and different shifts have different working hours.</p> <p>Overtime: The employee must apply in advance to extend the working hours due to work needs. The HR department manages the working hours regularly, announces the overtime status of employees in the production line to the management, and manages and adjusts the working hours with the goal of ensuring the physical and mental health of employees.</p> <p>Holidays: CATL provides paid annual leave, marriage leave, maternity leave, breastfeeding leave, etc. to employees according to local laws, regulations and policies of the place of operation.</p>

CATL advocates the principle of equal employment, publicly promises not to discriminate or treat employees unfairly because of race, religious belief, gender, nationality, age, marital status, disability and sexual orientation in employment, remuneration, training and promotion opportunities, and explicitly prohibits the employment of child labor, bonded labor and forced labor. For overseas branches and subsidiaries, we also pay attention to retaining local talents and respecting cultural differences and diverse customs and habits.

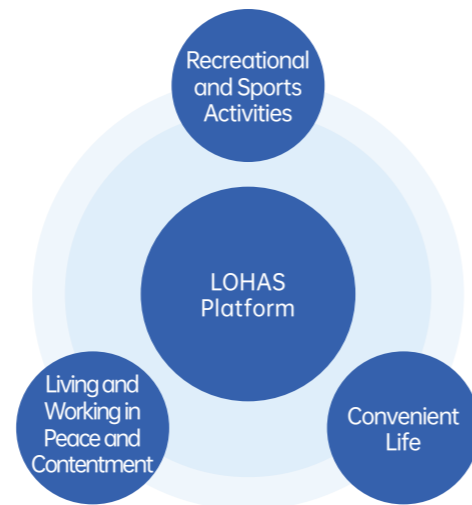
Compliance and Equal Employment Principle

Prohibition of Forced Labor	Prohibition of Child Labor	Equal Opportunities and Anti-discrimination
<ul style="list-style-type: none"> Recruitment shall comply with the relevant laws and regulations of the country or region where it is located; Prevent involuntary labor and ensure that all work is voluntary; It is forbidden to detain the original identity and travel documents issued by the government; Ensure that the employment conditions of the contract signed with the workers are clearly expressed in the language understood by the employees; No human trafficking and no employment of slavery, forced labor, bonded labor, indentured labor, or prison labor in any form. 	<ul style="list-style-type: none"> All full-time employees of CATL have reached the age of 18. 	<ul style="list-style-type: none"> Candidates shall not be required to have a pregnancy test or physical examination (except those required by applicable laws and regulations and carefully considered for workplace safety), and shall not be discriminated against because of the examination results; Interviewers who are related to candidates should follow the principle of avoidance and should not participate in interviews with candidates.

Employee Care

CATL is committed to building a comfortable working atmosphere for employees, providing rich and diverse benefits, organizing regular employee care and visit activities, advocating the balance between life and work, and creating a warm and harmonious workplace.

Our employees enjoy good welfare benefits, including shuttle bus to and from work, lodging allowance, five major social insurance programs and housing provident fund, commercial insurance, annual physical examination, gift packages and team building activities, etc., to enhance employees' dedication and work vitality. In order to further strengthen employees' sense of belonging and happiness, CATL builds a "LOHAS Platform" to improve employees' satisfaction and balance their work and life by offering life convenience stable working and living environment, and recreational and sports activities.



CATL pays special attention to employees' spiritual well-being, and provides professional mental health services to strengthen organizational resilience. The Company consistently provided employees with psychological counseling, active care, emergency intervention and other services, and held several themed activities and professional trainings on employee relations. For example, in May 2021, CATL held the third carnival to enhance employees' experience and mental health awareness through games and professional counseling. In 2021, CATL provided professional mental health reports to more than 26,000 employees. The data collected in the process of EAP helps the Company to understand the psychological state of employees and their needs for mental health services, and provides basis for the Company to carry out EAP and improve its management.

Activity Type	Details
Recreational and sports activities	<ul style="list-style-type: none"> Provide indoor basketball courts, dance rooms, gymnasiums and other activity centers and fitness facilities Set up 22 hobby associations related to reading, lantern riddles, basketball, chess club, running and dancing, covering more than 1,400 employees Hold festivals and cultural activities such as New Year's Day Garden Party and Mid-Autumn Festival Gala Hold sports competitions from time to time, such as the Basketball League, Badminton League, etc.
Living and working in peace and contentment	<ul style="list-style-type: none"> Provide employees with different forms of free dormitories to give them a comfortable living environment Build "CATL In-Spring Community", provide employees with housing subsidies, affordable housing, talent apartments and other preferential policies to solve their housing problem CATL has an open day for employee family members every month to help employees' families know the Company better CATL holds occasional Magpie Club match-making parties and group weddings to help employees build a happy life
Convenient life	<ul style="list-style-type: none"> Provide free movies once a month Provide free commuter service between living quarters and production bases Assist in applying for the residence permit Hold LOHAS Public Welfare Day every month, and provide services such as eyesight examination, dental examination, glasses cleaning, and ID photo development

The Company cares for female employees and actively protects the legitimate rights and interests of female employees. The Company provides female employees with paid leave such as antepartum testing leave, maternity leave and breastfeeding leave and sets up a "mother and baby room" in the office building to provide a comfortable and safe environment for breastfeeding female employees. In addition, the Company attaches great importance to cultivating women's power and held a lecture on the theme of "women's workplace power" on Women's Day to encourage female employees to develop in the workplace and advocate workplace equality.

The Company offers continuous care for the health and life of employees and their families as well as assistance to employees in need. In 2015, the Company established the CATL Mutual Aid Emergency Fund. After two months' formal employment, RMB 1 yuan (plus RMB 4 yuan subsidized by the Company) shall be deducted from employees' monthly salary as the contribution to the relief fund pool for mutual assistance. The fund helps employees and their families who are in urgent need (such as illness, injury or disaster), to provide practical help and reduce their financial burden. During the reporting period, the Company and its branches and subsidiaries received and examined 97 applications for emergency assistance and gave a financial relief of RMB 1.51 million yuan. By the end of the reporting period, the Company had provided 330 times of assistance to employees in need with a total of RMB 4.48 million yuan in mutual assistance.



Democratic Communication

CATL thinks highly of employees' right to democratic communication, and builds a diversified platform for democratic communication for employees. The Company sets up a labor union to bridge the communication between employees and the Company. The labor union pays continuous attention to employees' needs, and aims to protect their legitimate rights and interests through 24-hour hotline and staff congress system.

CATL sets up an internal forum with complete operating mechanism, and formed a sound internal communication environment. On the basis of legal compliance, all employees can give anonymous or real-name feedback on personal problems encountered in work and life, as well as suggestions on various matters of the Company, or share information in forums. The responsible department will follow up the feedback and suggestions, and give replies or propose solutions in time.

Moreover, the Company regularly conducts "Internal Management Survey" on employees based on four dimensions: basic needs of employees, management support, teamwork and employee development, so as to find out the current management situation in time. Upon the analysis of the investigation results, the existing problems in the Company's management are examined and introspected, which helps improve the Company's management. In 2021, a total of 10,129 employees participated in the "Internal Management Survey", with the participation rate of engineers and higher-ranking employees reaching 93.5%.

Labor Union's Measures to Protect Employee Rights and Interests

Set up the 24h hotline to respond to employees' needs	Establish the staff congress system to guarantee the employees' right to know, participate, express and supervise; give full play to the role of democratic management and supervision of employee's representatives to guarantee the legitimate rights and interests of employees and constantly improve CATL's management mechanism
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CATL Won Titles of Best Employer in 2021



- 2021 51Job Outstanding Award for Human Resource Management
- Zhaopin 2021 Top 20 Employers of the Year in China
- 2021-2022 Most Influential Employer of Haitou.com
- 2021 Liepin Extraordinary Employer
- 2021 Nowcoder Community's Fastest Growing Employer

Employee Development and Retention

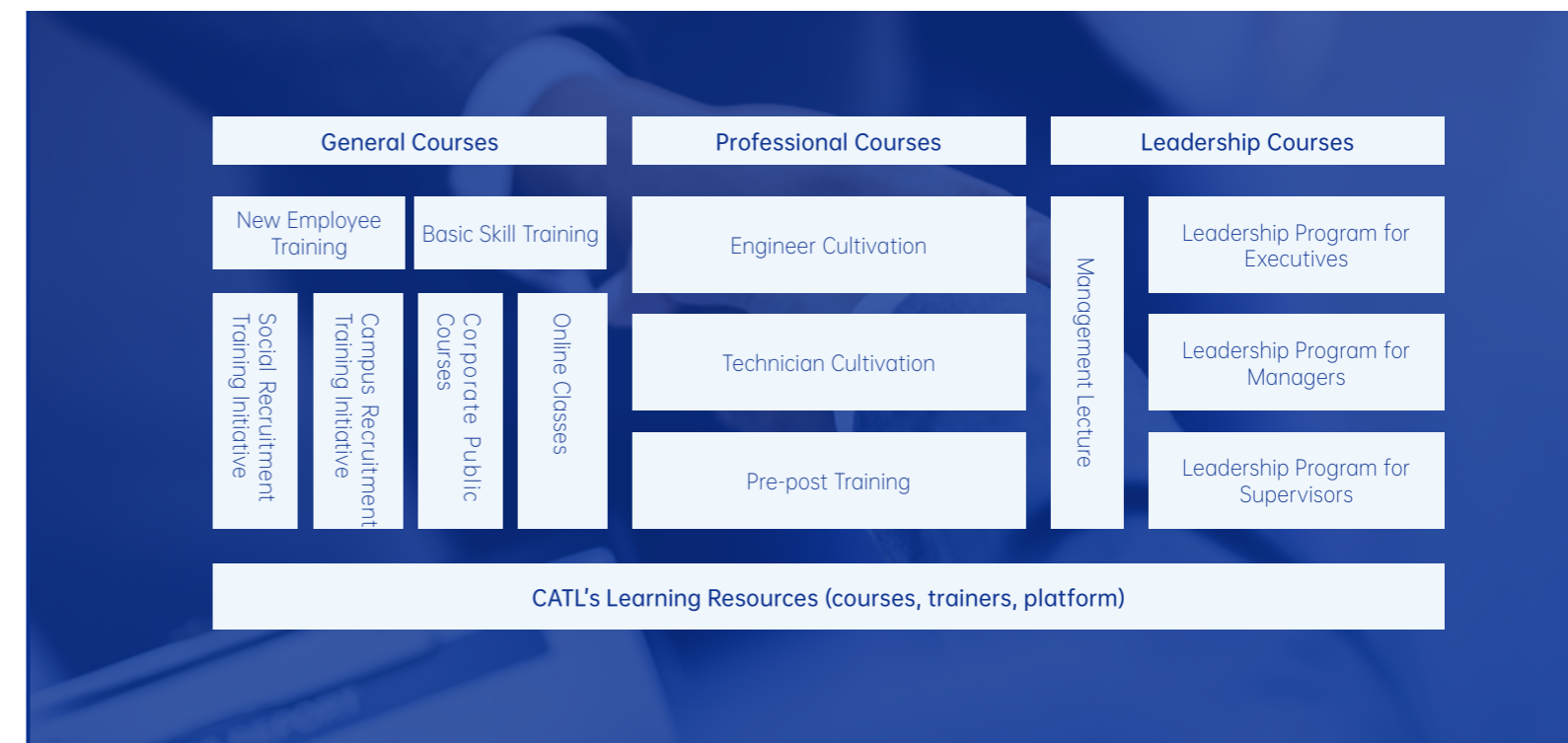
Training and Development

CATL advocates the culture of "Quick Learning" and is committed to build a learning organization. It establishes a complete staff training system and formulates training plans covering management ability, professional skills, industry knowledge, professional quality and other dimensions every year, so as to enhance the staff's ability in an all-round way and improve the overall efficiency of the team.

In 2021, 9 subsidiaries⁴ offered 13,854 offline training sessions with a total of 322,442 person-times and 1,022,829 training hours for employees' skill improvement. Meanwhile, in order to provide more convenient and abundant training resources, CATL introduced and developed Learning Management System (LMS), which covers three major course systems: general courses, professional courses and leadership courses, to realize the systematic management of trainers, courses and training data. In 2021, LMS provided 231,964 person-times, with about 174,000 hours of online learning. During the reporting period, the average annual training time of employees in CATL was about 19 hours. For more information about staff training performance, please refer to "Table of Key Performance - Table 7".

In addition, CATL also makes efforts to provide more high-quality training resources for its junior staff by introducing the enterprise new apprenticeship (intermediate class) program and cooperating with external professional institutions.

Employee Training System



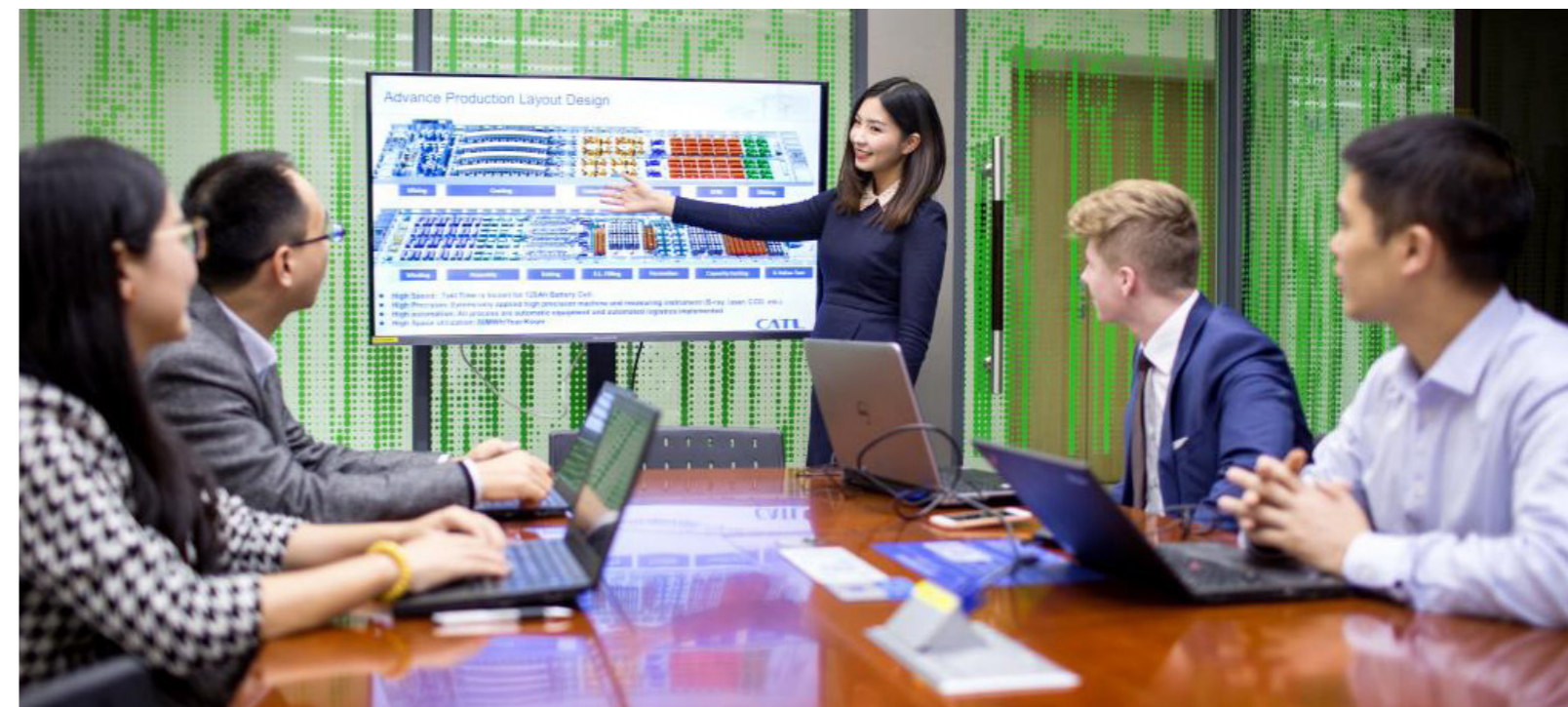
Note 4 :The statistical sources of the Company's employees' skills upgrading training include: CATL, CATL-JS, CATL-QH, CATL-SC, CATL-XJ, CATL-FD, CATL-RT, CATL-PN and UABC.

Employee Training Programs

Program Contents	Program Introduction
Social recruitment training initiative	<p>Trainee: New employees by social recruitment</p> <p>Training contents: Including <i>General Knowledge of CATL, Information Security, Factory-Level Security, Corporate Culture, Basic Knowledge of IT, CATL Code of Conduct (COC), Occupational Health and Safety, QM System and PEMS, Product Manufacturing Safety Assurance, Energy Management, Working Rules of Media Relations</i>, etc.</p> <p>Training frequency: Six sessions of training are provided to the front-line employees and two sessions of training to employees every week</p>
Campus recruitment training initiative	<p>Trainee: New employees by campus recruitment</p> <p>Training contents: Including <i>Here is ND, Information Security, Company Introduction, Corporate Culture, Business Etiquette, Presentation Skills, Six Thinking Hats, Cell Technology, Communication Case of Production Line</i>, etc.</p> <p>Training frequency: Each training session lasts for 5 days, and 7 training session were completed in 2021</p>
Six Sigma (Green Belt) Training Camp	<p>Trainee: System engineers of Solution Department & Process Engineering Department</p> <p>Coverage: The first phase covered 56 people</p> <p>Training contents: Including Statistical Process Control (SPC), Measurement System Analysis (MSA), Failure Mode and Effect Analysis (FMEA), Design of Experiments (DOE), hypothesis testing and other courses and practical content</p> <p>Training duration: The training camp lasts for 6 days</p>
Leadership Program for Supervisors	<p>Trainee: Supervisors from production line</p> <p>Coverage: About 1,400 people</p> <p>Training contents: Including basic management knowledge such as <i>Employee Management and Motivation, On-Site Management, Conflict Management and Emotion Management, Communication Skills and Team Building</i></p> <p>Training frequency: 3 sessions per month on average, each session lasts for 12 hours</p>
Leadership Program for New Managers	<p>Trainee: New managers</p> <p>Coverage: The first phase training covered 63 people</p> <p>Training contents: Designed from the perspectives of self-management, others-management, team-management, and management cooperation, involving <i>To Be a Manager, Coaching Guidance, Employee Cultivation, Upward Management, HR Management of Non-human Resources, Cross-departmental Communication and Cooperation</i>, etc.</p> <p>Training duration: Each training session lasts for about 60 hours</p>

CATL launches the "Internal Trainer Program" to better support the construction of employee training system. The Company works with the internal trainers in curriculum development and experience extraction, etc., providing them with trainings on presentation skills, teaching skills and so on. Employees can be certified as internal trainers if they meet the comprehensive certification standards in the three dimensions of classroom presentation, teaching content and teaching skills. By the end of the reporting period, a total of 133 employees had passed the internal trainer certification, including 85 newly certified trainers.

Moreover, the Company supports its employees to improve their academic qualifications and enhance their comprehensive quality and career competitiveness. Since 2019, the Company's labor union and Ningde Open University have jointly launched the "Action of Learning to Realize Dream," aiming to jointly set up a platform for employees to learn, communicate and develop, and cultivate application-oriented talents for the development of enterprises. CATL helps the employees to receive further education, improve their academic qualifications and enhance their cultural and professional accomplishment through easy-access learning and tuition subsidy. By the end of the reporting period, a total of 969 employees in CATL joined the in-service study and received continuing education of academic qualifications.



Promotion and Motivation

Adhering to the core values of "Refine, Enable, Strive, Innovate", CATL provides employees with a dual-channel development path of technology and management, and designs a clear and definite career development path for each employee according to their individual wishes, so as to realize the common growth of talents and the Company.

Every year, CATL regularly organizes performance appraisal and job promotion management openly and fairly, and integrates performance appraisal into job promotion, effectively identifying the outstanding talents and enhancing employees' professional competence. Meanwhile, the Company provides opportunities of internal transfer to help employees broaden their career development path while considering their personal career growth needs.

CATL has been further improving the medium and long-term incentive mechanism, and committed to building the benefit sharing mechanism between employees and owners, thus realizing the consistency of interests of the Company, shareholders and employees so as to attract and retain excellent management and backbones and enhance the cohesion of employees and the competitiveness of the Company. Since going public, CATL has continued to carry out equity incentives, covering a total of about 14,000 employees. By the end of the reporting period, the Company had four incentive plans in implementation. The incentive tools included Restricted Stocks and Stock Options, with over RMB 45 million Restricted Stocks/Options granted in total.

Occupational Health and Safety

Safety in Production

The Company, in strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Law of the People's Republic of China on Safety in Production*, the *Regulations on the Administration of Occupational Hygiene in Workplaces* and other relevant laws and regulations, established a sound occupational health and safety management system. Upholding the concept of "Safety First" and the goal of six "zero" for safety in production, CATL is committed to creating a healthy and safe working and living environment for employees. By the end of the reporting period, the operating 12 subsidiaries of CATL involved in the battery production sector have completed the construction of occupational health and safety management system, among them, 4 subsidiaries that have been running stably have passed ISO45001:2018 Occupational Health and Safety Management System Certification.

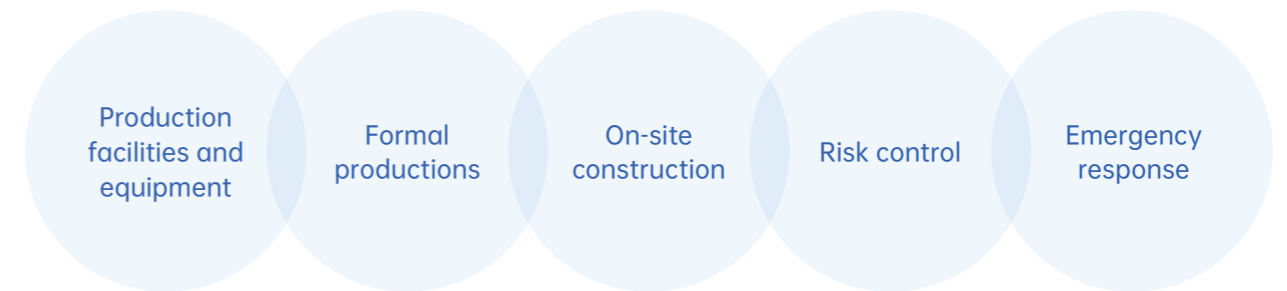
Subsidiaries Certified by ISO45001

Battery Production Sector	Others
<ul style="list-style-type: none"> Contemporary Amperex Technology Co., Limited Qinghai Contemporary Amperex Technology Limited Jiangsu Contemporary Amperex Technology Limited United Auto Battery Co., Limited 	<ul style="list-style-type: none"> Guangdong Brunp Recycling Technology Co., Limited Hunan Brunp Recycling Technology Co., Limited Hunan Brunp Auto Recycling Co., Limited Pingnan Contemporary Amperex Technology Limited



CATL has formulated several management systems such as *Safety Production Management Policy*, *Occupational Health and Safety Operation Control Procedure*, *Occupational Health and Safety Management Manual*, etc., implemented strict occupational health and safety management in all aspects of production and operation to comprehensively control production safety involving all links, and achieved high production quality and safety at the same time.

Lifecycle Occupational Health and Safety Management



Link	Management Situation
Production Facilities and Equipment	<ul style="list-style-type: none"> Develop the new plant construction enhancement standards and equipment safety inspection list Apply the standards to the whole life cycle of new plant construction and equipment development
Formal Production	<ul style="list-style-type: none"> Carry out three-level training on occupational health and safety, and standardize employees' production operations Establish the <i>Safety Production Responsibility System</i> to clarify the safety responsibilities of personnel at all levels Organize all employees to sign the responsibility for safety production
On-site Construction	<ul style="list-style-type: none"> Establish supplier life cycle safety management process, and strictly implement construction approval and safety inspection Carry out on-site special investigation and rectification
Risk Control	<ul style="list-style-type: none"> Classify the hidden dangers according to the probability and severity of accidents Divide the hidden danger investigation into company level, workshop level and team level based on the actual situation, and conduct regular investigation of hidden dangers The responsible department shall lead the formulation of hidden danger rectification measures according to the idea of grading rectification of the hidden dangers found out on site, and verify the effectiveness of the rectification EHS (Environment, Health and Safety) department will conduct spot-check, evaluation and recording of the rectification effect, and calculate the occupational health, safety and environmental performance of each department
Emergency Response	<ul style="list-style-type: none"> Formulate the <i>Emergency Plan for Safety Production Accidents of CATL</i>, and build the emergency brigade Organize regular emergency drills for safety production accidents to improve employees' emergency handling ability Set up advanced automatic fire alarm system to monitor the safety of the whole site in real time

In 2021, Hunan Brunp, a wholly-owned subsidiary of CATL's holding subsidiary Guangdong Brunp, was given an administrative penalty of RMB 499,800 by Ningxiang Emergency Management Bureau due to a general production safety accident. After the accident, Hunan Brunp immediately suspended production in all factories and made a comprehensive rectification, and paid the fine as required. The production restarted after being reviewed by relevant expert group and approved by Changsha Emergency Management Bureau.

In order to further ensure safety in production, Hunan Brunp has improved the *Safety Production Responsibility System* and *Safety Production Management System*, re-planned the functional layout inside and outside the workshop, updated and reformed the equipment, process and related pretreatment systems, and made rectification to the safety management system and workshop safety hazards based on the hidden danger investigation report issued by a third-party professional organization.

Occupational Disease Risk Management

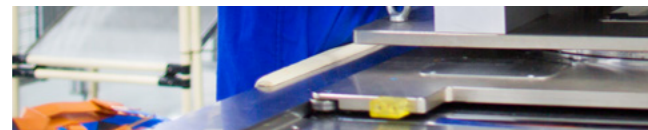
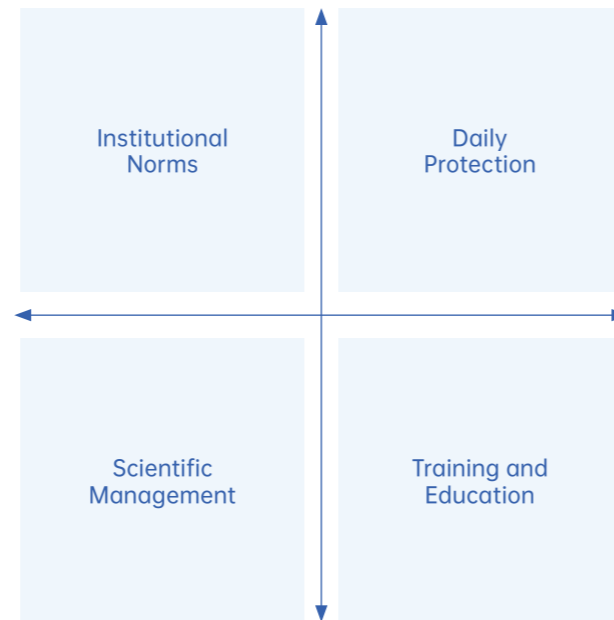
CATL prevents occupational disease risks and ensures employees' occupational health through institutional norms, scientific management, daily protection, and training and education. It is identified that the occupational hazards involved in the Company mainly include noise, fluorine and its inorganic compounds.

The Company draws up the *Control Procedure for Hazard Identification and Evaluation in the Whole Life Cycle*, specifying the scope and workflow of hazard identification to effectively control occupational health and safety risks.

CATL makes regular declaration of occupational hazards, makes great efforts to prevent and control the hazards, helps the regulatory authorities to master the distribution of occupational hazards within their jurisdiction and carries out targeted supervision and law enforcement. In 2021, CATL and its subsidiaries CFBC, CATL-XJ, and Hunan Brunp also declared the occupational hazards.

In daily work, CATL provides personal protective equipment (PPE) for employees, sets up dust collectors, silencers and other occupational health protection equipment and facilities, and installs safety protection devices such as gratings and protective plates to ensure employees' health and safety during work. Moreover, the Company actively and regularly conducts occupational health check-ups, supervises and implements the standards of production and working environment, urges employees to use and wear daily labor protection, and strictly implements the requirements for the management of six occupational health-related archives.

Based on the three-level occupational health and safety training system, CATL carries out "three-level safety training" for employees at company level, department level and team level, covering employees newly joining the Company, department and team, involving trainings on basic knowledge of safety production, working environment and hazard factors, safety production risk identification methods and risk control measures, safety and occupational health matters related to job connection between posts, etc. In addition, daily safety culture publicity and regular cultural training are conducted, so as to comprehensively improve employees' awareness, knowledge and skills of safety. In 2021, the "three-level safety training" of CATL, covering all employees, was performed through offline lectures and online examinations. Employees were required to obtain qualified test results upon the training before they can officially start work. No occupational disease incident occurred in the Company in 2021. For more information about employee health and safety performance, please refer to "Table of Key Performance - Table 7".



Social Contribution



Adhering to the mission of "Power Your Life", while seeking for its own sustainable development, CATL also aims to achieve a win-win situation between the Company and the society and shoulder the responsibility of promoting the community development and social progress.

Fulfill our Commitment to Sustainable Development

Create a Sustainable Culture

Adhering to the mission of "Power Your Life", CATL has incorporated the concept of sustainable development into its operation and management, and promoted it to local community, supporting the sustainable development of the environment, economy and society while strengthening the sustainable development awareness of stakeholders and fulfilling the Company's commitment to sustainable development. CATL sets every September as the "Sustainable Development Month", and carries out a series of sustainable development activities to arouse employees' attention to sustainable development issues. By the end of the reporting period, the Company has held three consecutive "Sustainable Development Months".

In order to cultivate employees' low-carbon and healthy lifestyle in daily work, CATL activated the CATL Brand Charity Forest on Alipay in February, 2020, organized the watering activities online and offline to encourage employees to "water" the charity forest through a rewards exchange, thus to create an environmental protection atmosphere and promote employees to practice green and low-carbon lifestyle. By the end of the reporting period, CATL has accumulated the energy required to plant 1,032 *Pinus sylvestris*.

In 2021, in response to the national goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, members of our Corporate Sustainability Management Committee delivered carbon neutrality lectures to employees to popularize the concept of sustainable development. In addition, CATL also launched a prize-winning collecting activity of "Share your Carbon Reduction Actions, and Lead a Zero-carbon Lifestyle," encouraging employees to share the carbon reduction behaviors or achievements of individuals, companies and governments in their lives, effectively spreading the concept of sustainable development, and inspiring employees to become environmental protection advocates. During the reporting period, the Company received 67 messages sharing carbon reduction behaviors from employees.

Volunteer Service Team

As a responsible corporate citizen, CATL actively encourages employees to participate in voluntary service and contribute to the community. Since its establishment in 2017, the CATL Volunteer Service Team has established its volunteer service detachments in factories and production bases to carry out public welfare and volunteer environmental protection activities continuously and create a good atmosphere for volunteer activities. By the end of the reporting period, more than 12,000 employees had joined the CATL Volunteer Service Team.

CATL draws up annual volunteer activity plan every year, informs the volunteer members through mail, posters, volunteer communication groups and other channels, and calls on employees to actively participate in volunteer activities. In order to encourage more employees to participate in volunteer service, CATL selects the outstanding volunteers every two months based on the number of times that employees participate in volunteer activities and organize volunteer activities, and provides awards such as certificates and outstanding volunteer team building activities.

In 2021, CATL organized more than 100 volunteer activities, including the visit to Tashan Welfare Institute and the cultural campaigns in Chijian Lake Park and Tashan Park. For more information about employee volunteer management performance, please refer to "Table of Key Performance - Table 8".

Build a Better Community

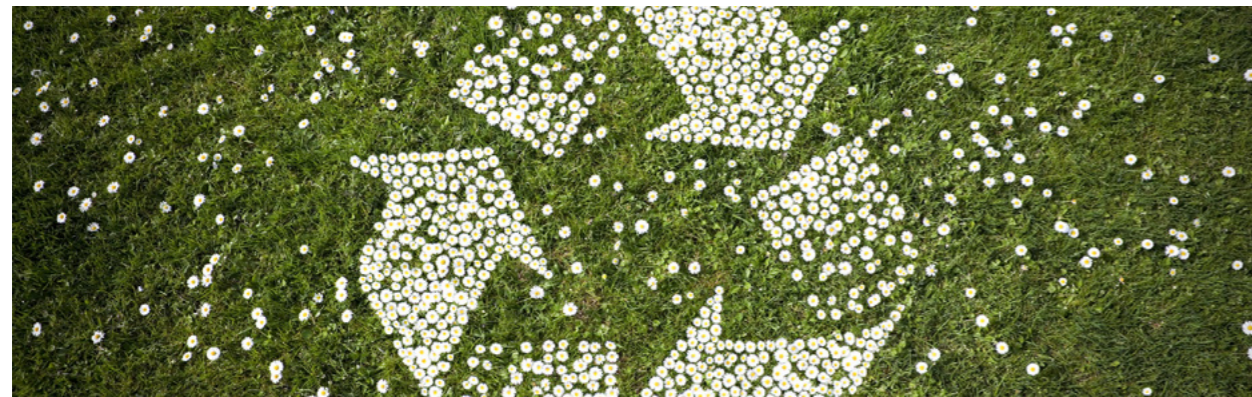
CATL actively fulfills its commitment to sustainable development with continuous efforts in meeting the community development needs, so as to actively respond to social emergency needs and contribute to the realization of sustainable development of the whole society.

Community Development

Based on CATL's sustainable development philosophy and actions, we gradually spread the value of sustainable development to more stakeholders. In 2021, CATL cooperated with surrounding communities to carry out environmental protection related activities, and joined hands with all parties to promote sustainable development with practical actions.

Activity Name	Activity Contents
The second Plogging activity "Go Green and Have Fun"	Organized the second Plogging activity "Go Green and Have Fun" for employees and invited suppliers near the Company to participate in the activity for environmental protection. In this activity, we provided runners with degradable garbage bags and recyclable garbage-picking pliers so that they could clean up the garbage along the route during jogging and participate in charity walking activities to achieve the dual purposes of fitness and sustainable development. In 2021, this event attracted 256 volunteers, including those from 32 suppliers.
"I Have a Poplar Forest"	In cooperation with the Youth League Committee of Ningde City, CATL has opened the adoption quota of poplars (<i>Populus euphratica</i>) to more than ten organizations from the towns, primary and secondary schools, hospitals, procuratorates, tax bureaus, etc. in Ningde, and also opened the adoption quota of poplars to employees of CATL, so as to drive more stakeholders to invest in afforestation and home greening activities. According to statistics, this activity raised RMB 1.4 million to China Green Foundation, and 20,000 poplar trees will be planted in Xinjiang in the spring of 2022. This activity covers up to 17,448 people.
Theme activity of "Sorting Garbage Together"	Held the themed activity of "Sorting Garbage Together" on campus to bring the sustainable development work out of the Company and into the society for the first time. We introduced garbage sorting to students in the form of entertaining, and discussed and shared the topic of "How to Reduce the Garbage", to enhance students' awareness of environmental protection. We hope that through this activity, one student could influence his or her family, and the family could in turn influence the local community and even the whole society.

Through visits, charitable donations and other ways, according to the actual needs of the local community, CATL brings community care to vulnerable groups such as the elderly and children in need and creates a harmonious community relationship.



Community Care	
Areas of Concern	Activity Details
Care for the elderly	<ul style="list-style-type: none"> In April 2021, the Company donated RMB 200,000 to Ren'ai Home Nursing Home in Fu'an to support its charity work for the elderly. In June 2021, CATL-JS signed a donation agreement with Liyang Charity Federation, donating RMB 1 million to the Federation for the construction of Fangli Village Rehabilitation Center in Kunlun Street, Liyang city. During the reporting period, the Company routinely organized consolation and charity donations for the needy Party members and students, veterans of the War to Resist US Aggression and Aid North Korea, and widowed elderly people, with a total converted amount of RMB 93,700 of the donations.
Care for the children	<ul style="list-style-type: none"> In September 2021, CATL-JS donated RMB 12,000 to Liyang Charity Federation, which will be used for the annual tuition of some needy students in Liyang City (this targeted donation will last for three years). In December 2021, CATL donated RMB 75,000 to Jiaocheng District Charity Federation of Ningde City, which was used to support its work of helping children in need.

Rural Vitalization

As a responsible corporate citizen, CATL actively undertakes social responsibility, and carries out targeted poverty alleviation work focusing on poverty alleviation through industrial development, education, and health continuously, to support long-term poverty alleviation of poverty-stricken areas. In 2021, as China entered the "First Year" of rural revitalization, for the relatively backward areas around the Company, CATL consolidated the achievements of poverty alleviation through industrial development, employment assistance and education revitalization, so as to assist rural revitalization and contribute to common prosperity.



Rural Vitalization	
Areas of Concern	Activity Details
Industrial Development	<ul style="list-style-type: none"> Targeted assistance was provided to Xiadang Township in Shouning County and Kengtou Village in Huotong Town, Ningde City, where local residents rely on the tea industry. We supported RMB 9.06 million to promote the long-term poverty alleviation of the farmers. Among them, in Kengtou Village, Huotong Town, we helped 7 households with financial difficulties by investing in the transformation of tea gardens, and provided a store to the villagers' committee for selling agricultural products such as tea, which promoted the local economy development; Continue to promote the construction of new energy projects of CATL-QH, and assist Qinghai to generate the local intrinsic development power. By the end of the reporting period, CATL-QH had completed a total investment in fixed assets of RMB 2,072.44 million (including RMB 45.49 million in the reporting period), providing 1,559 jobs; Continue to promote the construction of new material projects of CATL-PN. By the end of the reporting period, the accumulated investment in fixed assets reached RMB 840.38 million (including RMB 229.25 million in the reporting period), creating 311 jobs; Promote the construction of electronic science and technology projects of CATL-PN. By the end of the reporting period, the accumulated investment in fixed assets reached RMB 51.94 million (including RMB 51.94 million in the reporting period), creating 178 jobs; Promote the construction of Pingnan Runneng New Material Project. The accumulated investment in fixed assets reached RMB 22.39 million (including RMB 22.39 million in fixed assets during the reporting period).

Rural Vitalization	
Areas of Concern	Activity Details
Education Revitalization	<ul style="list-style-type: none"> CATL organized the event "Targeted Poverty Alleviation – Financial Aid to Poverty-stricken Students" to provide grants for students with difficulties. In 2021, there were 75 primary and middle school students with financial difficulties accepting grants, of which 25 were funded by CATL with an amount of RMB 69,000.

Emergency Response

For social emergencies, CATL establishes an efficient emergency response mechanism relying on our own advantages and capabilities, and actively responds to social needs and fulfills social responsibilities while ensuring the safety of our employees.

Standing up to the COVID-19 epidemic, CATL establishes a sound epidemic prevention and control system with an improved normalized epidemic prevention mechanism for material reserve, personnel screening, people and field prevention and control, system establishment, awareness and knowledge dissemination, etc., and build a strict defense line for group prevention and treatment. In 2021, based on the mechanism and experience of epidemic response, in the face of the impact of floods in Henan on the public, CATL quickly responded to the frontline needs of flood control and disaster relief in Henan.

Rushing to Henan

Material donation	CATL donated RMB 25.09 million to Henan for flood relief, resettlement, reconstruction and the resumption of local public transportation. Among them, the Company donated about 15 million yuan and the Company's Party Committee donated RMB 91,800 yuan to Henan Charity Federation for flood relief, resettlement and reconstruction work; a 10-million-yuan special fund was used to guarantee the overhaul service of local electric vehicles equipped with CATL batteries to ensure the timely resumption of local public transportation.
Organize rescue, inspection and maintenance	Quickly dispatched more than 300 technical experts and maintenance resources such as overhaul equipment and spare parts from 20 surrounding cities to the stricken area to carry out rescue efforts, as well as testing and repair work.
Guarantee the rapid recovery of public transport system	In order to quickly resume the operation of the bus system, CATL promised to respond to repair service requests within 30 minutes, and arrive at the scene within two hours for over 8,000 buses equipped with CATL batteries in Henan Province. It specifically provided 24-hour service for the hardest hit areas.
Guarantee inspection, maintenance and after-sales service	Considering the potential needs of EV repair services at the reconstruction stage, CATL set up a team of professional technicians, and provided resources to support the disaster area and guarantee after-sales services for electric vehicles that have been affected by the disaster.

For more information about social welfare performance, please refer to "Table of Key Performance - Table 8".

Table of Key Performance

Table 1 Economic Performance

Indicator	Unit	2020	2021
Total assets	RMB 10,000 Yuan	15,661,842.69	30,766,686.09
Revenue	RMB 10,000 Yuan	5,031,948.77	13,035,579.64
Revenue growth rate	%	9.90	159.06
Net profit	RMB 10,000 Yuan	610,391.81	1,786,073.01
Net profit growth rate	%	21.77	192.61
Net profit attributable to shareholders of listed companies	RMB 10,000 Yuan	558,333.87	1,593,131.79
Basic earnings per share	RMB Yuan/Share	2.4942	6.8760

Table 2 Resource Utilization Performance

Indicator	Unit	2021
Energy use management ¹		
Total power consumption	10,000 kWh	254,659.67
Total natural gas consumption	Cubic metre	150,776,337.57
Total steam consumption	Ton	711,587.04
Total photovoltaic power generation	10,000 kWh	4,765.47
Water resources use management ¹		
Total water consumption	Cubic metre	10,161,636.52
Packaging management ²		
Proportion of recyclable packaging (module)	%	98
Proportion of recyclable packaging (Pack raw materials)	%	83

Note 1: The sources of statistical data on energy use and water use include the subsidiaries of CATL involved in battery production. See the report preparation instructions for the list of companies.

Note 2: The sources of statistical data on packaging usage include CATL, CATL-FD, CATL-SC and CATL-JS.

Table 3 Greenhouse Gas Emissions ¹

Indicator	Unit	2021			
		Cells	Module	Pack	Others
Greenhouse gas emissions per unit product	kg carbon dioxide equivalent/kWh	12.43	0.52	0.27	---
Greenhouse gas emissions per unit product decreased compared with the previous year	%			10.33	---
Total greenhouse gas emissions	kg carbon dioxide equivalent	1,992,798,339.74	83,754,458.59	42,920,396.35	209,919,360.53
Total amount of greenhouse gas emissions within Scope 1	kg carbon dioxide equivalent	321,889,592.49	121,901.82	65,639.44	4,263,171.29
Total amount of greenhouse gas emissions within Scope 2	kg carbon dioxide equivalent	1,670,908,747.25	83,632,556.77	42,854,756.91	205,656,189.24

Note 1: The sources of statistical data on greenhouse gas emissions include the subsidiaries of CATL involved in battery production. See the report preparation instructions for the list of companies.

Table 4 Supply Chain Management Performance ¹

Indicator	Unit	2020	2021
Trainings on supply chain sustainable development knowledge	Number of events	19	21
Trainings on improving internal capacity of supply chain	Number of events	9	202
Number of core suppliers participating in the trainings on improving internal capacity of supply chain	Number of suppliers	38	36
Quantity of mineral due diligence audit in supply chain	Number of suppliers	39	50

Note 1: The sources of statistical data on supply chain management include CATL's production base.

Table 5 Product R&D and Innovation Performance

Indicator	Unit	2020	2021
Product R&D investment	RMB 10,000 Yuan	356,937.77	769,142.76
R&D expense growth rate	%	19.29	115.48
Ratio of R&D expenses to turnover	%	7.09	5.90
Total number of R&D personnel	Person	5,592	10,079
Divided by academic qualifications	R&D personnel with doctoral degree	Person	127
	R&D personnel with master's degree	Person	1,382

Table 6 Waste Discharge ¹

Indicator	Unit	2021
Volume of hazardous waste disposed	Ton	4,960.38
Volume of general industrial solid waste disposed	Ton	303,727.07
Chemical oxygen demand (COD) emissions	Ton	37.75
Ammonia nitrogen emissions	Ton	3.77
Nitrogen oxide emissions	Ton	119.31
Sulfur dioxide emissions	Ton	5.75

Note 1: The sources of statistical data on waste discharge include the key polluters of CATL, namely, CATL, CATL-JS, UABC, Hunan Brunp.

Table 7 Employee Management Performance

Indicator	Unit	2020	2021
Employment ¹			
Total number of staff	Person	33,078	83,601
Divided by gender	Male	%	78.20
	Female	%	21.80
Divided by age	Under 30 years old	%	58.43
	30 to 50 years old	%	40.65
	Over 50 years old	%	0.62
Divided by academic qualifications	Proportion of employees with doctoral degree	%	0.44
	Proportion of employees with master's degree	%	6.51
	Proportion of employees with bachelor's degree	%	17.33
	Proportion of employees with less than bachelor degree	%	75.72
Proportion of female employees in management	%	13.90	13.44
Proportion of male employees in management	%	84.40	84.56
Proportion of employees under the age of 30 in management	%	1.74	1.05
Proportion of employees aged 30 to 50 in management	%	85.94	90.09

Indicator	Unit	2020	2021	
Proportion of employees over 50 years old in management	%	7.58	7.15	
Management of employee rights and interests ²				
Expenditure for helping employees in difficulties	RMB 10,000 Yuan	300.00	448.44	
Used amount of Mutual Aid Fund	RMB 10,000 Yuan	101.74	151.36	
Employee health and safety ³				
Health program coverage rate	%	100	100	
Safety and environmental pollution incidents ⁴	Times	0	1	
Safety drill activities	Times	293	3,124	
Employee safety training coverage rate	%	---	100	
Supplier employee safety training coverage rate	%	---	100	
Staff training management ⁵				
Employee training coverage	%	---	93.50	
Divided by gender	Proportion of male employees covered by training	%	---	93.50
	Proportion of female employees covered by training	%	---	93.50
Average duration of training for employees	Hour	---	19.43	
Divided by gender	Average duration of training for male employees	Hour	---	19.59
	Average duration of training for female employees	Hour	---	18.92

Note 1: The sources of statistical data on employee employment management are consistent with the consolidated financial statements; According to GDPR regulations, the gender of some employees cannot be confirmed, so the sum of the proportion of employees divided by gender and the proportion of management employees divided by gender is not 100%.

Note 2: The sources of statistical data on employee rights and interests management include: CATL, CATL-JS, and CATL-QH.

Note 3: The sources of statistical data on employee health and safety include: CATL, CATL-JS, UABC and Hunan Brunn.

Note 4: See Occupational Health and Safety for details of safety accidents and pollution incidents.

Note 5: The sources of statistical data on employee training management include: CATL, CATL-SC, CATL-JS, CATL-QH, CATL-XJ, UABC, CATL-FD, CATL-JC, CETL-PN, CATL-RQ, and CATL-RT.

Table 8 Social Public Welfare Performance

Indicator	Unit	2020	2021
Social welfare			
Charitable donation amount ¹	RMB 10,000 Yuan	---	2,030.50
Among them, the amount of investment in the field of educational assistance	RMB 10,000 Yuan	---	398.80
Amount of investment in targeted poverty alleviation ²	RMB 10,000 Yuan	---	35,958.33
Employee volunteer management ³			
Volunteer activities organized	Number of events	129	210
Volunteer participation	Person-time	5,919	12,175

Note 1: The invoiced amount of charitable donations is subject to the donation invoice obtained by the Company shall be standard data.

Note 2: Targeted poverty alleviation funds include the Company's investment in poverty alleviation through industrial development, education and other fields.

Note 3: The sources of statistical data on employee volunteer management include: CATL and CATL-JS.

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Report Preparation Instructions

Scope of Report

This Report covers Contemporary Amperex Technology Co., Limited and its subsidiaries and branches (hereinafter referred to as "CATL", "the Company" or "We"). Unless otherwise specified, the scope of this Report is consistent with the scope of Consolidated Financial Statements of CATL (stock code: 300750) Annual Report.

The environmental data in this report come from the domestic and overseas subsidiaries in the sector of battery production. Among them, some branches and subsidiaries had no production activity in 2021, and the final data was subject to that of the 12 companies that were put into production in 2021 (the list is shown below). The Company aims to make the data consistent with the scope of consolidated financial statements and improve the statistical scope of environmental data year by year.

Comparison Table of Names and Abbreviations of Domestic and Overseas Subsidiaries of Battery Products Production

	Company Name	Abbreviation in the Report
1	Contemporary Amperex Technology Co., Limited	CATL
2	Qinghai Contemporary Amperex Technology Co., Limited	CATL-QH
3	Jiangsu Contemporary Amperex Technology Co., Limited	CATL-JS
4	United Auto Battery Co., Ltd.	UABC
5	Dongfeng Amperex (Wuhan) Battery System Co., Ltd.	DABS
6	CATL-FAW Auto Battery Co., Ltd.	CFBC
7	CATL-GAC EV Battery Co., Limited	CGBC
8	Sichuan Contemporary Amperex Technology Co., Limited	CATL-SC
9	Chengdu Xinjin Contemporary Amperex Technology Co., Limited	CATL-XJ
10	Yibin Contemporary Energy Storage Technology Co., Ltd	CATL-YB
11	Ruiting (Shanghai) Contemporary Amperex Technology Co., Limited	CATL-RT
12	Contemporary Amperex Technology Thuringia GmbH ¹	CATT

Note 1: The environmental data sources include the module line of CATT, which was put into production in 2021.

Reporting Period

This report is an annual report covering the period from January 1, 2021 to December 31, 2021. The text beyond this scope has been explained where it is involved.

Basis of Preparation

This report is prepared according to Shenzhen Stock Exchange's *Guidelines for Social Responsibility of Listed Companies (2006)* and the *Guidelines for Self-discipline Supervision of Listed Companies No.2 - Standardized Operation of Listed Companies on Growth Enterprise Market (2022)* with reference to the *Sustainable Development Report Standard (2016)* of GRI (Global Reporting Initiative).

Data Description

The reported data and cases come from the Company's original records or financial reports related to the actual operation. The financial data in the report are all in RMB. If the financial data is inconsistent with the Company's annual financial statements, the latter shall prevail.

Reliability Guarantee

There are no false records, misleading statements or major omissions in this report. The board of directors of the Company takes overall responsibility for ESG management and reporting.

Contact Us

CATL Corporate Sustainability Management Committee
Address: No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian, P.R. China
Tel.: 0593-8901666
Email: CATL-CSMC@catl.com

CATL

Company address: No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian, P.R. China

Website: www.catl.com

Tel: 0593-8901666

Fax: 0593-8901999