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About this Report

This Report is CATL’s second Environmental, Social and Governance (ESG) Report, which aims to provide in-depth information about CATL’s philosophy, management approaches, actions and achievements in sustainable development for our stakeholders. The Report reveals CATL’s social contributions in specific ESG-related areas through Our Focus 2022.

Reporting Scope

The scope of this Report spans ESG-related information of Contemporary Amperex Technology Co., Limited and its subsidiaries (“CATL” or “the Company”, stock code: 300750.SZ), which is consistent with that of our Consolidated Financial Statements 2022. Specifically, the scope of quantitative data in this Report is detailed in ESG Quantitative Performance Table.

Reporting Period

This Report covers our activities undertaken from January 1, 2022 to December 31, 2022, including some key activities conducted beyond this scope stated accordingly.

Reporting Framework


This Report is prepared in accordance with the Global Reporting Initiative Standards (GRI Standards), as well as in reflection of China’s implementation of international standards, especially with the Standards for Environmental Information Disclosures of Listed Companies (2018) promulgated by Shenzhen Stock Exchange.

This Report contains quantitative data of ESG-related metrics within the reporting period, and relevant historical data to the greatest extent. The statistical and disclosure approaches remain consistent for data of an exact indicator within different reporting periods. In case of any variations in such approaches, detailed annotations are provided accordingly to facilitate meaningful analysis and evaluation.

This Report is issued accompanying 2022 Annual Report of CATL, providing timely information for decision-making.

Notes to the Report’s Data

All monetary amounts in this Report are shown in CNY. Should there be any discrepancy between financial data in this Report with our Consolidated Financial Statements 2022, the latter shall prevail. All qualitative information and quantitative data in this Report are collected from CATL’s authentic operational records or financial reports. All the sources and quantification processes of quantitative data disclosed in this Report are traceable, which support external verification. All monetary amounts in this Report are shown in CNY.

Contact Us

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Message from the Chairman

In 2022, the global new energy vehicle industry realized prosperous development, with the transition towards clean and low-carbon energy still accelerating. In the year, the output and sales of China’s EVs topped the world for 8 consecutive years, keeping leading roles in global new energy industry. Driven by policy support, increasingly diversified models and rising consumer recognition, the bloodstream of electrification is sweeping across the globe. Not only in China, EV sales in Europe, the United States and other countries and regions have repeatedly reached record highs. The new energy vehicle sector has become a powerful engine on which future development of the global automobile industry rests.

In addition, constructing a new power system to adapt to the steady increase in the proportion of renewable energy has become a global consensus. Playing an important role towards carbon-neutral power systems, energy storage has seen an explosive growth as expected, emerging as an emerging sector that embraces armillary-scaled market, an opportunity to realize it. We are clearly aware that the new energy industry is still in its early stage, the little tree flowers just shows its tiny bud, with a great potential in market growth. As a global leader of new energy innovative technologies, we are not only seizing the historic opportunity of the development of the global renewable energy industry, but also contributing to global energy transformation and green ecological construction, relying on our technology and business model innovation, extreme green manufacturing, and our advantage from the whole industry chain layout.

Nevertheless, the road to clean energy is not always smooth. The industry also encountered unprecedented challenges alongside rapid growth, such as macroeconomic fluctuations, upsurge of upstream raw material price, and the lingering pandemic. In 2022, by intensifying investment in R&D and innovation, we constantly released industry-leading solutions and services, strengthened market development, and sharpened customer partnership. Meanwhile, we infused high-quality production capacity into operation as planned, hence the considerable output and sales. We have ranked No. 1 in EV battery consumption volume for 6 consecutive years, and in energy storage battery shipment for 2 consecutive years. With the cooperative effort of all of us, our revenue surpassed CNY 350 billion (approximately USD 44 billion) for the first time.

To achieve high-value creation, we insist on innovation as foundation. We continued to increase investment in R&D in 2022, 2022 with total amount over CNY 15 billion, a year-on-year growth of more than 100%. 4,532 employees were dedicated to R&D, amounting to over 5,000 had a master’s or doctor’s degree. During the course of serving more than 7 million vehicles, we created a R&D closed-loop based on powerful computing capability, advanced algorithms, and massive data, with mutual correlation between R&D testing and practical driving, and henceforth a full-life cycle EV battery R&D chain. We launched Otti Battery adopting the third generation of our CTP technology which achieves the highest integration level worldwide so far capable of delivering a range of over 1,000 km in a breeze, and was recognized by henceforth a full-life cycle EV battery R&D chain. We launched the “SPEED” transparency audit program on sustainable value chain. By sharing and posing on our experience in achieving zero-carbon factory, we anticipate the enhancement of more upstream enterprises’ carbon competitiveness.

Benefiting from the era, CATL shoulders the unshakable responsibility to give back to the community as a corporate citizen. In 2022, CATL donated CNY 184 million to support the people’s livelihoods, medical care, education, environment and other public welfare undertakings. From this investment, CNY 110 million was applied to the construction of Chufengli Campus of Primary-School Affiliated to Ningde Normal University. We also vigorously support employees’ continuing education by means of easy-access learning and tuition subsidy. The CATL Mutual Aid Emergency Fund, which was founded soon after the establishment of the Company, has helped hundreds of employees through their hard times.

In 2022, CATL also made new strides in corporate sustainability governance. We improved our management systems, Corporate Sustainability Management System by establishing the Sustainability Management Council, identifying more material issues, and assessing the effective implementation of sustainable development throughout corporate business. We also made significant progress in domestic and overseas mainstream ESG ratings.

Everyone cherishes his or her own values, and we respect and treasure these of virtue to uphold an inclusive society in harmony. In the future, CATL will continue to follow the guidance of the ESG-related philosophy, and work with all our stakeholders for mutual advantage, thus empowering high-quality social and economic development.

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

- Business Scope
- Global Locations
Overview of CATL

CATL, a global leader in the new energy innovative technologies, committed to providing premier solutions and services for new energy applications worldwide, and making outstanding contributions to the sustainable development of the world.

Business Scope

As a global leader of new energy innovative technologies, CATL is mainly engaged in the research, development, production and sale of EV battery and energy storage battery. It promotes the replacement of stationary and mobile fossil-fuel energy, and focuses on electric-vehicle + intelligence to achieve the integrated innovation of market applications. Boosting core technology advantages and forward-looking R&D layout in key areas of the industry chain, such as battery materials, battery systems, battery recycling, etc., CATL is dedicated to providing premier solutions and services for new energy applications worldwide through innovation in material and electrochemistry system, structure system, green extreme manufacturing and business model.

CATL’s EV battery products consist of cells, modules, and battery packs. Characterized by high energy density, long life cycle and high safety and reliability, the Company’s EV battery can meet multiple functional requirements including fast charging, long service life, long range, and great adaptability. CATL designs customized products through customization or joint R&D according to the application and customer requirements, thus to satisfy different customer demands for product performance.

Energy storage battery products can be applied to the power sector, which offer energy storage support to solar or wind power generation, increasing the proportion of renewable energy in power generation. They can also be applied to power transmission and distribution, use including energy storage in industrial enterprises, commercial buildings and data centers, energy storage of charging stations, back-up batteries for telecommunication bases and household energy storage.

The battery material products include part of main raw materials required in the production of EV batteries and energy storage batteries. Through recycling, it processes, refines and synthesizes metals such as nickel, cobalt, manganese, and lithium and other materials from used batteries to produce ternary precursors, lithium carbonate, and other materials needed for the production of lithium-ion batteries. It also recovers the collected copper, aluminum and other metals, thus to realize effective recycling and reuse of key metal resources needed in battery production.

In addition, further guarantee the supply of upstream key resources and materials required in battery production, CATL has taken a step in the investment in exploration and construction or operation of battery mineral resources and relevant products such as lithium, nickel, cobalt, and phosphorus by means of self-built companies, shareholding, joint ventures, and acquisitions.

Global Locations

Headquartered in Ningde, China, CATL has established thirteen battery manufacturing bases worldwide (including those under construction and to be built), namely Ningde, Fujian Province; Xining, Qinghai Province; Liyang, Jiangsu Province; Yibin, Sichuan Province; Zhaoqing, Guangdong Province; Shanghai; Xiamen, Fujian Province; Yichun, Jiangxi Province; Guiyang, Guizhou Province; Xining, Qinghai Province; Luoyang, Henan Province; Erfurt, Germany; and Debrecen, Hungary. At the same time, CATL has established subsidiaries in Munich, Germany; Paris, France; Yokohama, Japan; Detroit, USA as well as other places.
Sustainable Development Governance

- Sustainable Development Strategies
- Contribution to Global Sustainable Development Goals
- Materiality Assessment
- Responding to Climate Change
Sustainable Development Strategies

Sustainable Development Policies and Commitments

Adhering to the goal of promoting global sustainable development as well as its own, CATL integrates the concept of sustainable development into its operation and management, and relies on sound ESG management as the method and path to achieve its sustainable development goal.

CATL strengthens the communication with stakeholders, and guarantees the long-term sustainable development of the Company, while contributing to global sustainable development.

- **Sustainable Development Guidelines**

  - **All-win Harmony**
    
    "Deliver excellent contribution to green energy resolution for mankind, and provide a platform of pursuing the spiritual and material well-being for employees." is the corporate vision of CATL. CATL continues to implement the protection of labor rights, human rights, occupational health and safety in enterprises and supply chains, actively fulfilling social responsibilities.

  - **Innovate to Achieve**
    
    "Innovate to enable customer achievements" is the corporate mission of CATL. Innovation is the vitality of an enterprise. Customer success is the guarantee of continuous success for CATL.

  - **Legitimate Operation**
    
    "Continuously improving the quality of the workforce" is the corporate vision of CATL. CATL continues to pay attention to environmental protection, use of renewable energy, energy saving and emission reduction, and resource recycling in enterprises and supply chains, advocates a green circular economy.

  - **Eco-friendly**
    
    "Creating excellent contribution to green energy resolution for mankind, and provide a platform of pursuing the spiritual and material well-being for employees." is the corporate mission of CATL. CATL continues to implement the protection of labor rights, human rights, occupational health and safety in enterprises and supply chains, actively fulfilling social responsibilities.

Sustainable Development Governance Structure

During the reporting period, CATL optimized the structure of the Corporate Sustainability Management Committee. When the term of the 1st Sustainability Management Committee expired, the 2nd Committee was selected. With the Secretary of the Board of Directors as the Committee director, and Company executives as the Committee members, the 2nd Sustainability Management Committee (hereinafter referred to as the "Committee") monitors and makes decisions on the planning and actual results of matters associated with CATL’s sustainable development management. In the meantime, the Committee established the Sustainability Management Office (hereinafter referred to as the "Office"), where the core members from core business departments serve as the Office members. Under the instruction of the Committee, the Office is responsible for the overall blueprint planning and business implementation of sustainable development management matters. The Corporate Sustainability Management Committee and Office jointly provide strong institutional guarantee to the Company’s sustainable development.

To fully assure the effective business operation in CATL, its subsidiaries and all sectors, the Council set up a working team in each production base and in the Group. CATL, via ESG performance indicators, has the performance of relevant departments, in order to further promote and motivate sustainable development governance. The Company sets a reasonable assessment weight, and applies rewards and sanctions according to an annual assessment.

Responsibilities of the Corporate Sustainability Management Committee

- Review the policy, annual priority action plan and objective related to the Company’s material issues of sustainable development, and give feedback.
- Determine and approve the organizational structure and job responsibilities of the Company’s sustainability management and its reports.
- Review the reports on the sustainability management of the Company and its subsidiaries.
- Report to the Board of Directors any sustainability matter that exerts great influence.

Recognitions and Awards

In 2022, CATL’s sustainability and ESG efforts were awarded a series of external recognitions. The Company has not only achieved significant progress in several ESG ratings at both domestic and international levels, but also won honors including Corporate ESG Practice Award of the Year and Influential Leading Enterprise.

- Received **A** in MSCI ESG Rating
- Scoring **51** in CSA
- Scoring **B** in CDP climate change questionnaire and winning the **Environmental Leap Forward Award**
- Scoring **A** in SynTao Green Finance rating

* The above rating statistics are as of Dec. 31, 2022.
Contemporary Amperex Technology Co., Limited

Overview of CATL

Corporate Governance

Products and Services

Environmental Protection

Sustainable Supply Chain

Adding to the Quality of the Workforce

Contribution to Community

2022 Environmental, Social and Governance (ESG) Report

**Contribution to Global Sustainable Development Goals**

CATL is focusing on global sustainable development while accelerating its global footprint. CATL actively responds to and comprehensively reviews the relevance of the UN Sustainable Development Goals (SDGs) to its corporate responsibility practices, and has identified seven SDGs based on the Company’s business attributes and recent focus. CATL plans to incorporate its contributions to the SDGs into the operation strategies, constantly disclose its progress, and reveal its active contributions to the SDGs into the operation strategies, and has identified seven SDGs based on the Company’s acceleration of its global footprint. CATL actively responds to and

**CATL Actions Benchmarked against SDGs**

**Goal 1: No poverty**

- Continue to consolidate the achievements of poverty alleviation by means of industrial development, stable employment, and education revitalization, and offer money, jobs and education opportunities to economically disadvantaged groups.

**Goal 2: Zero hunger**

- Ensure that all people have reliable access to nutritious and healthy food.

**Goal 3: Good health and well-being**

- Enable all people to lead healthy lives through the implementation of CATL’s professional courses.

**Goal 4: Quality education**

- Prioritize education development, fund children and students in financial difficulty through “Love and Help Students” campaign and “Bump Education Scholarships,” and provide disadvantaged groups with equal access to education.

**Goal 5: Gender equality**

- Protect the rights and interests of female employees by making flexible work arrangements, integration of domestic and foreign cultures.

**Goal 6: Clean water and sanitation**

- Reduce wastewater, exhaust gas, non-hazardous industrial solid waste and hazardous waste produced through preventive and reduction measures.

**Goal 7: Affordable and clean energy**

- With core technology advantages and forward-looking R&D presence in key areas of the industry chain such as battery materials, battery systems, battery recycling, etc., CATL is dedicated to providing premier solutions and services for new energy applications worldwide.

**Goal 8: Decent work and economic growth**

- Provide innovative green solutions for industry with four innovative dimensions of material and electrochemistry system, structure system, green extreme manufacturing, and business model.

**Goal 9: Industry, innovation and infrastructure**

- Promote the innovation of product R&D; continue to make breakthroughs in the innovation in material and electrochemistry system, structure system, green extreme manufacturing and business model; and establish core technology advantages.

**Goal 10: Reduced inequalities**

- Empower manufacturing with innovative technology, build the “lighthouse,” and realize energy conservation and efficiency improvement simultaneously.

**Goal 11: Sustainable cities and communities**

- Focus on a technological innovation system that combines CATL’s material and electrochemistry system, structure system, green extreme manufacturing, and business model.

**Goal 12: Responsible consumption and production**

- Put in place ongoing energy-saving and efficiency-improving measures in manufacturing to promote the green and efficient use of energy; and further achieve emission reductions through renewable energy transition.

**Goal 13: Climate action**

- Take actions to respond to and manage climate change. Set up the climate change governance system, and advance the Company’s management over climate change issues. Perform comprehensive carbon management, and build a “Zero-carbon Factory,” to help build a new low-carbon ecosystem of manufacturing plants.

**Goal 14: Life below water**

- Provide suppliers with sustainable development training that covers climate change, greenhouse emissions, and other topics, to improve suppliers’ sustainable development management.

**Goal 15: Life on land**

- Prioritize education development, fund children and students in financial difficulty through “Love and Help Students” campaign and “Bump Education Scholarships,” and provide disadvantaged groups with equal access to education.
Material Assessment

Issue Identification & Materiality Analysis

Material issues are the starting point and growth point for CATL, to carry out sustainable development management. We carry out identification and analysis of material issues on a regular basis. To fully comprehend stakeholders’ concerns, and incorporate their suggestions into CATL’s practice of sustainable development management, we upholds the principle of stakeholder engagement during the whole process of issue identification and materiality analysis.

Identify a Pool of ESG Issues

CATL identified a pool of ESG issues on the basis of its own business and corresponding potential or actual impacts on stakeholders, combining widely accepted sustainable development goals and framework (such as SDGs and GRI standards), the sustainable development-related policies and regulations in China and other countries where our business activities take place, the latest policies of the relevant exchange (such as Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies and Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 2 – Standard Operation of Listed Companies on ChiNext Market), excellent management practices within the industry and professional advice from external experts. 27 ESG issues were identified, covering three dimensions of corporate governance & economy, social, and environment, and thus formed the Company’s own pool of ESG issues. The Company has clarified the definition and boundary of each issue according to its specific operation conditions.

Engage with Our Stakeholders

During the reporting period, the Company has conducted stakeholder surveys and issued online or offline questionnaires to 8 key internal and external stakeholders, including investors, executives and other employees, customers, government and regulators, suppliers, partners, public and community, to obtain their evaluation on the importance of ESG issues. 1,662 questionnaires were collected in this investigation, among which 1,457 were determined as valid according to effectiveness screening, accounting for 86.8% of total questionnaires. This valid recovery rate complied with the statistical criteria adopted by the Company. Upon the category statistics and quantitative analysis of valid questionnaires from stakeholders, we identified the ESG issues that are of most concern to each stakeholder and has utilized them as an important reference for importance assessment and ranking.

Contribution to Community

Perform the Materiality Analysis

CATL comprehensively ranks the issues according to the weight of each stakeholder obtained from internal and external appraisal. The Company builds the materiality matrix based on the impact of the issue on its own sustainable development as well as the impact on external stakeholders, thus to confirm the significance of such impact and the order of ESG issues. The high-impact material issues will be highlighted in sustainability management and ESG information disclosure.

Determine and Report the Issues

The Corporate Sustainability Management Committee combines its professional knowledge with suggestions from external experts to assess the quality and reliability of the materiality analysis process, ensuring that the high-impact material issues meet the Company’s requirement for sustainable development management and response to stakeholders, and, after verification, reports the high-impact issues to the Board of Directors of CATL.

The Corporate Sustainability Management Committee reviews and approves the annual list of high-impact material issues, and guides and supervises relevant functional departments to manage these issues. CATL highlights the management progress of material issue in the annual ESG report, and communicates with internal and external stakeholders by other specified methods and channels, to constantly improve sustainable development management.

During the reporting period, CATL has identified high-impact material issues such as “compliance management,” “occupational health and safety,” “customer relationship management” and “product carbon footprint,” as well as new material issues including “employee rights, benefits and welfare,” “digitalization,” “industrial cooperation and development,” “community communication and development” and “circular economy.” Furthermore, CATL has revised some statements about material issues to make them clearer, more accurate, and easier for stakeholders to understand.

Material Matrix

The Corporate Sustainability Management Committee reviews and approves the annual list of high-impact material issues, and guides and supervises relevant functional departments to manage these issues. CATL highlights the management progress of material issue in the annual ESG report, and communicates with internal and external stakeholders by other specified methods and channels, to constantly improve sustainable development management.

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Communication with Stakeholders

Through a regular communication mechanism, CATL understands the stakeholders’ opinions and expectations, communicates with and responds to stakeholders against specific issues, establishes the long-term partnership of mutual trust with all relevant parties, and guarantees the inclusiveness and balance of material issue management. Whilst carrying out sustainable development management and information disclosure centering on material issues, CATL communicates with stakeholders timely, obtains their feedback, and further improves its management accordingly.

Concerns of Stakeholders and Communication Methods

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Corporate shareholders and potential investors</th>
<th>Employees</th>
<th>Customers</th>
<th>Government and regulators</th>
<th>Suppliers</th>
<th>Partners</th>
<th>Public and community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication Methods</td>
<td>Corporate governance</td>
<td>Compliance management</td>
<td>Product quality and safety</td>
<td>R&amp;D and innovation</td>
<td>Occupational health and safety</td>
<td>Work safety</td>
<td>Employees' rights, benefits and welfare</td>
</tr>
</tbody>
</table>

| Social Organizations | Corporate shareholders and potential investors | General manager, deputy general manager and department heads | Representatives of trade union members, employee representatives, and representatives of other workers of the Company | Global automakers, energy storage and other energy projects developers | Government of the countries/regions where CATL's business activities take place | Suppliers of cathode and anode materials | Industry associations, standard working teams and industry partners of the countries/regions where CATL's business activities take place | NGOs, NPOs and other social organizations and mainstream media |
| Issue of Concern | Corporate governance | Compliance management | Economic performance | Anti-corruption | R&D and innovation | Occupational health and safety | Work safety | Employees: all employees other than executives | Corporate shareholders | Suppliers |
| Communication Methods | Corporate governance | Compliance management | Product quality and safety | R&D and innovation | Environmental management system | Responsible supply chain | Fair competition | Product carbon footprint | Corporate shareholders | Suppliers |

| Communication Methods and Channels | Annual General Meeting | Financial statements and announcements | Q&A on Shenzhen Stock Exchange interaction platform | Hudongyi briefing and other communication activities | Internal information exchange platform | Internal email exchange | Internal training and test for all employees | Customer satisfaction survey | Supplier quality assurance audit program on sustainable value chain | Institutional investigation and audit programs |
| Communication and exchange visits | Media interview | CR Innovation platform | Life-cycle quality management | Responsible supply chain | Responsible supply chain | Responsible supply chain | Responsible supply chain | Responsible supply chain | Responsible supply chain | Responsible supply chain |

| Environment | Product carbon footprint | Management of discharge, emission and waste | Product quality and safety | R&D and innovation | Occupational health and safety | Work safety | Occupational health and safety | Responsible supply chain | Responsible supply chain | Responsible supply chain |

| Environment | Opportunities in clean technology | Product carbon footprint | Management of discharge, emission and waste | Product quality and safety | R&D and innovation | Occupational health and safety | Work safety | Responsible supply chain | Responsible supply chain | Responsible supply chain |

| Environment | Compliance management | Anti-corruption | Economic performance | Information security and privacy protection | Corporate governance | Information security and Environmental Protection | Sustainable Supply Chain | Adding to the Quality of the Workforce | Contribution to Community | 2022 Environmental, Social and Governance (ESG) Report |
Responding to Climate Change

Climate Governance Framework

CATL establishes the climate governance structure based on its sustainable development management system, and implements top-down climate change governance. In this way, it responds to stakeholders' concerns on "opportunities in clean technology," "product carbon footprint" and other climate-related issues. In this way, it responds to relevant parties' concerns on "clean technology opportunities," "product carbon footprint" and other climate-related topics. Under the instructions of the Board of Directors, the Corporate Sustainability Management Committee formulates and improves climate strategies, and monitors and reviews the implementation of actions on climate change.

The Corporate Sustainability Management Committee is responsible for reviewing the climate risk management policies, annual budget for climate affairs and climate goals and progress, providing support accordingly, following up and monitoring the progress of climate change actions, and reporting the risk management strategies to the Board of Directors.

The relevant departments and production bases of CATL integrate climate change risk management into their daily work. CATL regards relevant energy performance metrics including energy efficiency improvement, proportion of green electricity and carbon emission intensity at the manufacturing end as the focus of climate management appraisal, and incorporates these metrics in the bonus mechanism of relevant departments and bases.

Taking reference of the recommendations of the Task Force on Climate-Related Financial Disclosures, CATL organizes and presents the climate change governance system from four modules, i.e., governance, strategy, risk management, and metrics and targets.
Analysis of Climate Risks and Opportunities

The identification of climate-related risks and opportunities is a prerequisite for climate change management. By ranking relevant risks and opportunities, the Company can draw up targeted strategies and allocate resources rationally. Following TCFD suggestions, CATL combines its own business features, internal and external development environment with expert opinions to identify the climate risks and opportunities of great potential influence, and determines their specific category and duration.

To actively respond to the goal of limiting the temperature increase to 1.5°C and relevant scenarios according to Paris Agreement, CATL comprehensively evaluates the influence of risks and opportunities on investment and R&D, production and operation, products and services, and value chain, and prioritize these climate risks and opportunities according to their impact and probability of occurrence.

Climate Risks and Opportunities Matrix

- **Acute risks**
  - Physical risk: Extreme weather events such as typhoons and floods become increasingly severe, which may result in depreciation of fixed assets, loss of labor and supply chain disruptions.
  - Transformation risk: Customers, consumers, and other stakeholders are increasingly concerned about climate change performance and the Company may fail to satisfy stakeholders’ expectations and harm the Company’s image and reputation.
  - Reputation risks: Dirt accumulation, emissions, and other emissions are not controlled within the limit, which will affect the Company’s reputation.

- **Chronic risks**
  - Policy and legal risks: Increasingly strict regulatory requirements related to climate, energy and environment, and the Company may fail to meet the current compliance requirements or adjust operations and services.

- **Technical risks**
  - Low-carbon products and services: The continuous improvement of climate change response speed and adaptability will help seize relevant climate opportunities. By introducing adaptive projects such as renewable energy and supplying first-class new energy-related products and services, the Company can adapt to market demand better and realize new sales growth.

- **Opportunities**
  - Low-carbon products and services: As driven by China’s goal of carbon peaking and carbon neutrality, the public sector, customers, consumers and the community prefer climate-friendly products and services. Emerging markets show enormous demand for new energy vehicles and electrification. The Company accelerates the development of the new energy market, strengthens cooperation, and provides products and services that meet market demand and expectations, to achieve the long-term sustainable development of business and operating income.

- **Sustainable Supply Chain**
  - Efficient resource management: By improving resource management system costs, waste recycling, and recycling water resources and materials, it will enhance resource efficiency, and contribute to carbon reduction worldwide. An efficient resource management system can avoid waste and reduce the Company’s operating cost effectively, and meanwhile improve production efficiency and supply capacity.

- **Value Chain**
  - Improved climate resilience: The continuous improvement of climate change response speed and adaptability will help seize relevant climate opportunities. By introducing adaptive projects such as renewable energy and supplying first-class new energy-related products and services, the Company can adapt to market demand better and realize new sales growth.

### Significant Climate Risks and Opportunities

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Potential Impact</th>
<th>Duration</th>
<th>Value Chain Components Affected</th>
<th>Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical Risk</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acute risks</td>
<td>Extreme weather events such as typhoons and floods become increasingly severe, which may result in depreciation of fixed assets, loss of labor and supply chain disruptions.</td>
<td>Cost ↑</td>
<td>Short mid-term</td>
<td>Internal logistics, Production &amp; operations</td>
<td>Income ↑</td>
</tr>
<tr>
<td><strong>Transformation Risk</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation risks</td>
<td>Customers, consumers, and other stakeholders are increasingly concerned about climate change performance, the Company may fail to satisfy stakeholders’ expectations and harm the Company’s image and reputation.</td>
<td>Cost ↑</td>
<td>Short mid-term</td>
<td>Marketing &amp; sales</td>
<td>Income ↑</td>
</tr>
<tr>
<td>Policy and legal risks</td>
<td>Increasingly strict regulatory requirements related to climate, energy and environment, and the Company may fail to meet the current compliance requirements or adjust operations and services.</td>
<td>Cost ↑</td>
<td>Mid-long term</td>
<td>Production &amp; operations</td>
<td>Cost ↑</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Low-carbon products and services</td>
<td>With the R&amp;D and innovation of green technology, the access to renewable energy has been gradually enhanced, and the prices have lowered gradually. It is expected that the price of renewable energy will continue to decline, and the demand for new energy vehicles will increase.</td>
<td>Income ↑</td>
<td>Long term</td>
<td>Marketing &amp; sales</td>
<td>Income ↑</td>
</tr>
<tr>
<td>Renewable energy transition of CATL</td>
<td>With the R&amp;D and innovation of green technology, the access to renewable energy has been gradually enhanced, and the prices have lowered gradually. By using renewable energy for production and operations, the Company can reduce the direct energy cost and respond to the regulatory pressure and low-carbon goal of the Company at the end market.</td>
<td>Cost ↑</td>
<td>Mid-long term</td>
<td>Production &amp; operations</td>
<td>Cost ↓</td>
</tr>
<tr>
<td>Efficient resource management</td>
<td>By improving resource management system costs, waste recycling, and recycling water resources and materials, it will enhance resource efficiency and contribute to carbon reduction worldwide. An efficient resource management system can avoid waste and reduce the Company’s operating cost effectively, and meanwhile improve production efficiency and supply capacity.</td>
<td>Cost ↑</td>
<td>Mid-long term</td>
<td>Production &amp; operations</td>
<td>Cost ↓</td>
</tr>
<tr>
<td>Emerging market of new energy and electrification</td>
<td>As driven by China’s goal of carbon peaking and carbon neutrality, the public sector, customers, consumers and the community prefer climate-friendly products and services. Emerging markets show enormous demand for new energy vehicles and electrification. The Company accelerates the development of the new energy market, strengthens cooperation, and provides products and services that meet market demand and expectations, to achieve the long-term sustainable development of business and operating income.</td>
<td>Income ↑</td>
<td>Long term</td>
<td>Marketing &amp; sales</td>
<td>Income ↑</td>
</tr>
<tr>
<td>Improve climate resilience</td>
<td>The continuous improvement of climate change response speed and adaptability will help seize relevant climate opportunities. By introducing adaptive projects such as renewable energy and supplying first-class new energy-related products and services, the Company can adapt to market demand better and realize new sales growth.</td>
<td>Income ↑</td>
<td>Long term</td>
<td>Production &amp; operations</td>
<td>Income ↑</td>
</tr>
</tbody>
</table>
Climate Strategies

According to climate-related risk and opportunity analysis, CATL focuses on three key dimensions, namely green products and services, green manufacturing, and green ecosystem, and develops the climate change mitigation and adaptation strategies that cover R&D investment, production, and operation, and the entire lifecycle of the value chain.

During the reporting period, CATL has further accelerated zero-carbon transformation, and carried out infrastructure construction, energy and resource management, clean energy investment and transition, policy cooperation and participation and other measures around the climate strategies, to further manage climate risks and seize climate opportunities.
Corporate Governance: Stable and Efficient Operating Mode

Comprehensive corporate governance and responsible operation practice lay a foundation for sustainable development. CATL builds a sound governance system, strictly adheres to business ethics, and strengthens information security and privacy protection, to ensure its long-term and steady development, thus laying a foundation for actively fulfilling its environmental and social responsibilities.
Our Focus 2022:
Making Steady Headway in Construction of the Integrity Management and Cultivating a Clean and Upright Corporate Ecosystem

Strengthening integrity management is an important guarantee for the enterprise to improve its business operation mode and achieve sustainable development. CATL dedicates to become a model enterprise in the field of anti-corruption by making steady headway in constructing the “three non-corruption” integrity system of “do not dare to be, are not able to be, and do not want to be corrupt.”

With zero tolerance for corruption, the Company investigates every suspect case and punishes any corrupt practice, to safeguard its own legal rights and interests. To give full play to the warning role of cases, the Company introduces the representative fraud cases in the training courseware. CATL also conducted the training themed “Corruption, Self-Discipline, and Self-Refinement,” and strengthened the education for employees of key positions, to improve employees’ awareness of integrity. This one-month activity explained and preached the typical cases of violation to all departments of the headquarters and key subsidiaries and branches, covering about 16,000 employees.

CATL emphasizes on cultivating all employees’ consciousness of integrity. Through featured education activities such as the Integrity Month, Law Publicity Week, themed trainings and integrity certification tests, the integrity culture education is implemented at every level of business operation. We spread the culture of integrity and strengthen the legal consciousness of employees through the culture promotion videos, integrity knowledge competitions and other forms that are popular among employees.

To fulfill business development needs, CATL has set up the position of regional integrity manager in East China, West China, South China and overseas business regions. As an important part of integrity management of subsidiaries and branches, this measure will deepen the investigation of front-line business and suspect case in all subsidiaries and branches of different regions, support and instruct the implementation of local-featured education activities in each subsidiary and branch, and further the Company’s ability of integrity supervision over all subsidiaries and branches.

In addition, CATL also lays emphasis on building a clean supply chain. For instance, the Company constantly improves its bidding management procedure of procurement projects, introduces violation review in the process of supplier access, and reinforces suppliers’ integrity and compliance management. CATL has established the supplier violation exposure platform to irregularly expose the typical cases where suppliers violate their integrity commitments by sending Company’s employees gifts and money. In the meantime, the Company communicates its anti-corruption management concept to supply chain partners by means of trainings and questionnaires, so as to drive the creation of clean culture throughout the supply chain and build up a “clean and friendly” business partnership.
Corporate Governance

Corporate Governance Structure

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

- **General Meeting of Shareholders**
  - 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**
  - The Board of Directors shall work in accordance with the Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market and the Rules of Procedure of the Board of Directors, mainly responsible for convening the general meeting of shareholders, implementing its resolutions, and managing the Company’s information disclosure.
  - The Board of Directors is responsible for overseeing the strategy committee, the audit committee, and the nomination committee.
  - The Board of Directors is responsible for evaluating the performance of directors, the Board of Supervisors, and the CEO.

- **Board of Supervisors**
  - The Board of Supervisors consists of three supervisors, including one employee representative supervisor. The Board of Supervisors has 1 chairman, who is elected by more than half of all supervisors.
  - The Board of Supervisors is responsible for reviewing the Board of Directors’ periodic regular meetings and making opinions on the consolidation information.

- **Management**
  - The management of the Company shall perform duties in accordance with the Articles of Association and other relevant policies, 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.

### Three Meetings in 2022

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Times</th>
<th>Proposals and Reports Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Meeting of Shareholders</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Board of Directors Meeting</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Board of Supervisors Meeting</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

Totally 73 reports are discussed, reviewed, deliberated or heard.

Note: More details about the Board of Directors, please refer to the Corporate Governance section of Contemporary Amperex Technology Co., Limited Annual Report 2022

Protection of Investor Rights and Interests

In strict compliance with the Company Law of the People’s Republic of China, Securities Law of the People’s Republic of China, Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, Guidelines for Investor Relations Management of Listed Companies and other relevant laws and regulations, as well as the Articles of Association of Contemporary Amperex Technology Co., Limited, CATL has formulated the Investor Relations Management System and manages investor relations, to protect investors’ right of knowing the Company’s major issues and participating the Company’s major events, protects the interests of minority shareholders, and provides investors with reasonable investment returns.

CATL respects and guarantees the rights of all shareholders as owners of the Company, and regularly convenes and holds the general meeting of shareholders strictly following the Articles of Association, Rules of Procedure for the General Meeting of Shareholders, etc., so as to ensure that the shareholders enjoy the right to participate the decision making of CATL’s important matters that are stipulated by laws, administrative regulations and the Articles of Association. In addition, the Company provides convenience for minority shareholders to participate in voting, and ensures them with equal rights.

CATL fulfills the obligation of information disclosure according to the law. It discloses information in an authentic, accurate, complete and timely manner, and actively develops information that may have a substantial impact on the decision-making of shareholders and other stakeholders on the official website, WeChat official account, the Shenzhen Stock Exchange interaction platform and other platforms, in order to protect the shareholders’ right of being informed.

Adhering to the principle of being “open, just and fair,” CATL has established effective communication channels with shareholders, which include regular reports, investor hotlines, on-site surveys, etc. The secretary of the Board of Directors of CATL is appointed as the person who takes charge of managing and coordinating investor relations, the reception work of shareholders and investors, answering investors’ inquiries, etc. In the meantime, the Company has founded the Investor and Public Relations Management Committee, to maintain good, comprehensive and effective communication with investors who are interested in the Company’s development, to deepen their understanding and recognition of the Company, and construct a benign interaction mechanism with investors.
Regulation of Related-Party Transactions

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 the Articles of Association, Rules of Procedures 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 scope, 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 related-party transactions of this Company happen according to the needs of the Company’s normal production, operations and business development, which follow the principle of fair market transactions and put forward fair and rational price, with the necessary decision-making procedure and information disclosure obligation fulfilled. Independent directors, Board of Supervisors and sponsoring institutions have reviewed and made their comments. There is no observation of related-party transactions which harm the interests of Company shareholders, particularly minority shareholders.

Internal Control and Risk Management

A sound internal control and risk management system lays the foundation for the Company’s robust governance. During the reporting period, CATL has developed an internal control system covering all functional departments, four major business systems and all aspects of business management of subsidiaries at all levels, to ensure its effective operations. To achieve this, the Company has strictly followed the Company Law, the Basic Standard for Enterprise Internal Control and its supporting guidelines, the China Securities Regulatory Commission and the Shenzhen Stock Exchange and other relevant internal control regulatory requirements, and has also considered the Company’s actual situation, own features and management needs. Relevant internal control covers all main aspects of the Company’s operations and management, without omission.

During the reporting period, CATL has organized internal control and evaluation according to the Company's internal control rules and system, and the Company’s internal control evaluation method. The units, businesses and matters and the high-risk sectors that are evaluated cover all major aspects of operations and management, leaving no major omission. According to the Company’s definition of major defects in internal control, as of the record date of the internal control and evaluation report, there is no observation of any major defect in internal control in financial or non-financial reports.

Furthermore, CATL has been constantly improving the risk management system and has managed risk in terms of risk identification, evaluation and response, and integrated risk management, training, crisis response and daily audits. The company continues managing all-around risks, including risk investigation and evaluation, risk prevention and response, risk controlling and supervision, and establishment of a risk information database and contingency plan database.

By means of the three-level risk identification across the Company, CATL has identified nine risk areas that must be paid attention to, including compliance risk, information security risk, production safety risk and employment risk, with three subsidiary dimensions of mechanisms, system and measures including 75 items. Based on this, the Company has carried out risk evaluation, and developed the improvement measures to be implemented according to the evaluation results.

For the key risk areas, CATL has published the Trade Compliance Management System, Data Compliance Management System and Anti-counterfeiting Compliance System to further perfect the operational systems. By taking the risk and management measures covering risk categorization, evaluation, improvement and supervision, the Company’s ability in risk prevention and control can be further reinforced.

CATL has also built a complete risk management training system for employees of different stages, and enhanced their consciousness of risk management and control by gathering internal and external training resources. All new hires must receive training on the consciousness of risk management and control, and pass tests. The special training of Risk Management and Internal Control developed by CATL is provided to guide employees to effectively respond to various risks. In addition, the Company has organized the Great Minds Forum, and invited external experts to give special training about Enterprise Risk Management and Internal Control in New Era, to upgrade the management’s consciousness of internal control, compliance and risk management.
Business Ethics

Integrity System Construction

CATL insists on the bottom line of compliance management and pursues the goal of creating a working atmosphere of “compliance, integrity and honesty”. The board of directors has established the Code of Conduct Committee (COC), which is fully responsible for the anti-fraud 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.

CATL's Integrity and Compliance Organization Structure

CATL’s Integrity and Compliance Organization Structure

Construction of Integrity System

CATL performs anti-fraud management from three aspects: integrity system construction, integrity culture education and integrity supervision mechanism. During the reporting period, CATL worked on system construction according to ISO 37001 anti-bribery management system, and completed internal audit as well.

Construction of Integrity System

- Created 16 management systems with CATL Code of Conduct as the core. During the reporting period, CATL improved its anti-bribery system by creating or improving 16 anti-bribery risk control procedures and building 6 anti-bribery system management procedures.
- Company employees
  - Several documents such as Six Prohibitions on CATL Employees from Corruption, Provisions on Accepting Gifts and Money by CATL Employees, Employee Integrity Handbook, etc. were issued to regulate employee behavior. All employees are required to sign the employee integrity agreement, and employees above the engineering level must take the initiative to report any conflict of interest.
  - During the reporting period, over 40,000 employees signed integrity agreements and over 14,000 employees above the engineering level reported the outcome of cooperation termination and blacklisting.
- Suppliers
  - The Supplier Code of Conduct was formulated, and all suppliers were required to sign the Supplier Integrity Commitment before being hired. Any supplier violating the Commitments will be downgraded for the risk of qualification, and needs to pay liquidated damages, with the outcome of cooperation termination and blacklisting.

Integrity Culture Education

Through integrity culture education, CATL guides employees to buy in and practice integrity culture, communicates the Company’s achievements in integrity education to internal and external stakeholders, and calls on partners to practically fulfill their commitment to integrity.

Integrity Culture Education

- During the reporting period, over 20 integrity publicity education and training activities were organized; the integrity culture promotional film, Confessions of COC and Confession was published; special case law training, covering over 16,000 employees, were held; 4 integrity culture education to internal and external stakeholders, and calls on partners to practically fulfill their commitment to integrity.
- During the reporting period, over 20 integrity publicity education and training activities were organized; the integrity culture promotional film, Confessions of COC and Confession was published; special case law training, covering over 16,000 employees, were held; 4 integrity culture education to internal and external stakeholders, and calls on partners to practically fulfill their commitment to integrity.
- Suppliers
  - During the reporting period, more than 800 important suppliers were invited to attend the integrity culture publicity and training activities, the “do not dare to be, are not able to be, and do not want to be corrupt” integrity construction system and supplier integrity management policies were introduced; and survey on the integrity construction satisfaction of more than 200 suppliers was done to timely discover any deficiencies for improvement.

Integrity Supervision Mechanism

CATL strengthens compliance management by joining external industry alliances. As a council member of the “Enterprise Anti-Fraud Alliance,” CATL participated in over ten online training, private sharing meetings and other exchange activities held by the Alliance. It also took a part in more than ten online activities of “Sunshine Integrity Alliance” to learn advanced experience from excellent members. In the meantime, the Company added bad-faith actors who violated laws and regulations to the blacklist of Enterprise Anti-Fraud Alliance and Sunshine Integrity Alliance.

In terms of internal management, CATL has intensified efforts to investigate and punish employees who violate laws and regulations. During the reporting period, the Company investigated more than 20 cases of internal violation and fraud cases, including 3 cases transferred to judicial organs.
Whistleblowing and Whistleblower Protection

CATL has provided comprehensive channels for reporting, 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 reporting channel is posted on the Company's official website, and it was also announced to all employees through internal email, training and bulletin boards. During the reporting period, CATL carried out the themed publicity for all departments at the headquarters and important subsidiaries and branches. During the course, the Company created a poster about reporting, released Notes on COC Reporting to all employees, and published the COC Report Acceptance Scope and Whistleblowing Guide through the company forum, internal article sharing, and other forms of dissemination, to further increase employee recognition of the Company's reporting channels.

CATL encourages our employees, customers, suppliers 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 whistleblower with a reward according to the nature of reported violations, or provides immunity and the right to keep cooperation for partners who actively report violations.

COC will evaluate the reported information. For violations of codes or laws with clear facts, COC will register and investigate. The Company also develops the Procedures on Protection and Reward of Whistleblowers for Violation of Laws and Regulations, standardizes the protection mechanism of whistleblowers, and safeguards their legitimate rights and interests. CATL protects whistleblowers through confidential management measures, such as minimizing the number of people in the know and keeping reporting materials by special personnel. Individuals retaliating against whistleblowers, or having whistleblowers retaliated against, will be treated sternly. If crime is involved, such individuals will be reported to the judicial authority.

Protection of Intellectual Property Rights (IPR)

CATL adheres to the principle of "Respecting the IPR of others and protecting its own IPR." It protects its own competitive advantage and brand reputation through complete IPR management, and meanwhile avoids infringing on the IPR of others. The Company has set up the Patent Management Committee at both the Company and business department levels as the institutional guarantee for IPR protection. During the reporting period, the Company has further improved the patent review rules, built a new rating system, and further increased the review members of the Patent Management Committee.

CATL has 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 continuously manage the whole procedure including innovation, management, application and protection of the Company’s IPR. During the reporting period, the Company has formulated and published IPR management system documents such as Patent Administration Methods, Guidelines for IP Management Specifications in R&D Projects and Scientific and Technological Innovation Points Management Regulations, to further improve the Company’s IPR management and patent application lifecycle management.

For IPR management in overseas countries and regions where we operate, CATL held a special seminar with the European Patent Office on European patents, to discuss deeply on patent application and use in Europe, to instruct the subsequent overseas applications.

In cooperation with foreign entities, CATL and its partners must make clear of the ownership, usage, maintenance and risk response of IPRs, and create a reliable mechanism for sharing IPR results for partners. The Company also includes an IPR protection clause in the contract with suppliers, which covers the ownership, use and risk prevention and control of IPR.

To create a fair competition environment for the industry, CATL actively carries out IPR protection work. The Company has set up a market and technology investigation department to follow the technology development and market trend products similar to the Company, and gives timely warnings about products that maliciously infringe the Company's patent rights. 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.

To enhance employee awareness of IPR protection, during the reporting period, CATL held more than 170 trainings for R&D and internal patent engineers, external agents and other groups, by a team of 50 lecturers consisting of internal key employees and external experts. And these trainings were developed to target different groups of primary, intermediate and advanced levels.

Information security and privacy protection

Information Security Management

CATL strictly abides by the Information security policy of "Focus on Roles, Put Prevention First, Strengthen Awareness, Combine Technologies with Management, Involve All the Staff." It attaches great importance to information security management, refers to international best practices in production and business activities, and builds a data 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 expanded to cover upstream and downstream supply chains.

CATL has set up the Security and Secrecy Committee (SSC) with a subsidiary of the Security and Secrecy Office (SSO), to jointly do information security management with the Environmental Health and Safety Department, the Compliance Management Department, Business Process and IT Department, and thus enhanced the Company’s capabilities for constant and safe business operations. The Security and Secrecy Of-
Contemporary Amperex Technology Co., Limited

Overview of CATL
Sustainable Development Governance
Corporate Governance
Products and Services
Environmental Protection
Sustainable Supply Chain
Adding to the Quality of the Workforce
Contribution to Community
2022 Environmental, Social and Governance (ESG) Report

Information Security Management System

- System Management Document
  - Formulate internal management documents
  - Sign confidentiality contract
    - All employees are required to sign the Confidentiality Contract when joining the Company, and the engineers and higher-ranking employees are required to sign more-above confidentiality agreements.

- Information Security Technology
  - Data leakage prevention system
    - Intelligently judge whether to intercept, approve and allow data transmission according to personnel behavior, data security level and characteristics.
  - Deep Packet Inspection (DPI) traffic analysis platform
    - Monitor the Company's entire traffic in real time, and intercept and dispose of malicious traffic.
  - Data encryption system
    - Strengthen the protection of classified data and prevent any unauthorized access or visit.

- Supplier Information Security
  - Supply chain information security review
    - Regularly carry out supply chain information security audits. These cover information security organization and strategy, personnel management, physical security, data security, information security incidents and other fields, enabling the identification of information security risks; providing coaching to suppliers in rectification and improvement. During the reporting period, information reviews of about 30 suppliers were conducted.
  - Information security protection training
    - Provide suppliers with information security training through "Confidentiality Agreements" and "Instructions on Supplier Security and Confidentiality," with assessments.

- Security Consciousness of All Employees
  - Information security study and examination
    - Conduct information security training and examinations for all employees including new employees. During the reporting period, 65,953 thousand information security training sessions were provided to employees, among whom 99% have passed the exams.
  - Recognition of advanced organizations and individuals
    - Present awards to organizations and individuals that make outstanding contributions to information security. During the reporting period, 7 Excellent Organizations in Security and Confidentiality Awards and 29 Excellent Workers in Security and Confidentially Awards were awarded.

To support the multi-business form and global strategic layout of the Company, during the reporting period, CATL upgraded its overall intelligence-based information security system, including information security management, information security operations, information security technology, and information security supervision. Through this upgrading, CATL optimized the security structure at the company level, improved 5D information security processes, implemented 16 key security technologies including the encryption system and security operation center, published the information security performance indicators, and established the information security system with the feature of digital intelligence by integrating the organization, process, regulations, system and data.

During the reporting period, to comply with the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China, CATL established a complete information security audit system, and assessed the security and compliance of all data from all domestic subsidiaries and branches. In this period, totally 12 internal information security audits and 8 third-party information security audits have been conducted for the company headquarters as well as subsidiaries and branches.

In order to discover and handle information security vulnerabilities timely, CATL has built an information security feedback channel, and gives financial rewards to employees who report security and confidentiality vulnerabilities and assist in strengthening security and confidentiality, according to the Instructions on Supervision, Reward and Punishment. During the reporting period, the Company received more than 200 reports on information security issues, all of which were promptly verified and handled upon the occurrence.

Privacy Protection

CATL, may need to collect and process the personal information of relevant employees, visitors and partners during daily operations. This covers scenarios like the collection and use of personal information, cross-border transmission of personal information, and the introduction of third-party entrusted processing. The Company strictly conforms to Information Protection Law of the People’s Republic of China, Data Security Law of the People’s Republic of China, Cybersecurity Law of the People’s Republic of China, EU General Data Protection Regulation, and other applicable laws and regulations, and strengthens the data compliance management.

The compliance management department of the Company is responsible for the coordination of data and privacy compliance work, including dynamic follow-up and interpretation of laws and regulations, institutional system construction, compliance risk assessment, compliance review and compliance training.

CATL has developed and published the Data Compliance Management System during the reporting period. The compliance management department guides and assists other departments in data compliance risk review of relevant activities, and organizes compliance training and communications. The Company provides relevant business departments with training on personal information protection and data security, also covering the legislative background and legal provision interpretation. By doing so, employees' consciousness of data compliance has been enhanced.

CATL assesses the data collection, usage, sharing and cross-border transmission in accordance with its own security compliance requirements. The Company assesses whether data needs to be shared, whether the consent from data subject has been obtained, whether the confidentiality agreement and data processing agreement or data cross-border transmission agreement has been signed, and whether corresponding security technologies and measures have been adopted. During the reporting period, CATL completed over 60 data compliance assessments.

When entrusting a supplier to process data, CATL requires the supplier to sign an Agreement on Entrusted Data Processing, to clarify both parties' obligations in personal information protection and other content including an agreement on cross-border transmission of personal information.

During the reporting period, CATL was not subject to any sanction for violating any law or regulation on information security and privacy protection.
Products and Services: Innovative Green Solutions for the Industry

With the increasing severity of global climate change, energy crises, and environmental pollution, high importance has been given to issues such as green development, energy conservation, and environmental protection. There is a global consensus concerning carbon neutrality, the decarbonization of electric energy, and the comprehensive electrification of transportation, which has been building at an accelerated pace worldwide. With EV battery products as the core, CATL provides green solutions and first-class services to meet customer needs for various applications.

Green R&D and Innovation
- During the reporting period, the R&D investment reached CNY 15,510.45 million, a year-on-year increase of 101.66%.
- The CTP 3.0 battery "Qilin" has set a new record for the greatest integration of battery systems in the world, and was recognized by TIME as one of the best inventions of 2022.

Green Production
- 418 energy-saving projects progressed throughout the year, equivalent to avoiding 447,230 tCO2e emissions.
- Reached 26.6% in renewable electricity transition.
- CATL-SC's zero-carbon factory continues to receive the PAS 2060 certification on carbon neutrality.

Product Quality and Customer Service
- The 1st to obtain EPD certification in the global EV battery industry.
- Established a full life-cycle quality management system.
- Passed CTEA5001-2017 after-sales service certification, with twelve stars, the highest in China as of the end of the reporting period.

Contemporary Amperex Technology Co., Limited
Overview of CATL
Sustainable Development Governance
Corporate Governance
Products and Services
Environmental Protection
Sustainable Supply Chain
Adding to the Quality of the Workforce
Contribution to Community
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Providing EV Battery Systems and Services for Green Transportation Networks

- According to SNE Research, CATL's global market share for EV battery usage climbed to 57.0% during the reporting period, a year-on-year increase of 4.0%. The Company ranked No.1 globally in EV battery consumption volume for six consecutive years from 2017 to 2022.

- EV batteries have been sold to 60 countries and regions worldwide, with a cumulative sale of over 7 million vehicles furnishing such batteries.

- For passenger car applications, the Company has created a product series that includes nickel-rich ternary lithium-ion batteries, high-voltage N50 (medium nickel content) ternary lithium-ion batteries, cost-effective lithium iron phosphate batteries, etc. The product series covers the needs of different segmented markets, including Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), and Hybrid Electric Vehicles (HEVs). It is also available for business models such as battery swapping and battery leasing, and is widely used in private cars and commercial vehicles, as well as in vehicles intended for special uses.

- In commercial applications, the Company provides customers with diversified products and solutions for passenger cars and commercial vehicles, such as road passenger transport, urban delivery, heavy-duty transport, and urban cleaning. The products can also be used in electric buses, electric motorcycles, and other two-wheeled vehicles, electric heavy or light-duty trucks, and other cargo vans, covering all the needs of different applications.

- In the Polish market, the Company has launched the world’s first module-less battery pack CTP, which greatly improved battery energy density. In June, 2022, the Company officially released the CTP 3.0 battery “Qilin”, accomplishing an all-round improvement in safety, efficiency, low-temperature performance, and service life. This was accomplished through technical innovations such as the multifunctional elastic interlayers, large-surface water cooling, and an integrated energy unit. With a record-breaking volume utilization efficiency of 72% and an energy density of up to 255 Wh/kg, it achieves the highest integration level worldwide for large-scale battery packs. This has been a great boost to high-end development of the electric vehicle industry, with advanced performance and green benefits. In October, 2022, CATL’s Qilin battery has been recognized by TIME as one of the best inventions of 2022.

- The CTP 3.0 Battery “Qilin” was officially launched in 2022, providing a new solution for electric vehicle battery packs.

- In May 2022, CATL's EnerOne won the 2022 ess Award at the Smarter E Europe trade show.

- EnerOne, an outdoor system with high charging and discharging efficiency, long service life, high-integration and high level of safety, was launched together with EnerC, a product for all weather conditions. Through our R&D and innovations, CATL is able to deliver products to fulfill any of the use cases from cell component to complete ESS.

- Providing Green Solutions

CATL provides products for EV battery, such as cells, modules and packs, as well as clean energy storage solutions such as electric cabinets, energy storage systems, and energy storage power plants. Its technology leadership and supply chain integration capabilities create more advanced solutions for passenger vehicles, commercial applications, and electrochemical energy storage. By doing so, it contributes to the global transition to low carbon and green development.
Overview of CATL Sustainable Development

Contemporary Amperex Technology Co., Limited

Our Focus 2022:
Powering Green Ecosystem Transformation through Advanced Technology

EVOGO Battery Swapping Service

CATL, launched its battery swapping service, EVOGO, based on the separation of vehicle and battery and combined battery swapping solution. This is an initiative aimed at solving the three major pain points of electric vehicles, namely, range anxiety, inconvenience of recharging, and high total cost of ownership.

The EVOGO battery station, based on CTP and Battery Management System (BMS) technology, features high energy density, high reliability and robust endurance. It can be freely combined to meet different range requirements. The battery swapping station has a small footprint, high capacity, rapid circulation, and all-weather operability. Through the efficient, flexible, and safe use of new energy, and bolstered by “separation of vehicle and electricity,” the accessibility of electric vehicles will see further expansion.

During the reporting period, EVOGO’s battery swapping service has been implemented in Shenzhen, Beijing, Guangdong, and other cities.

Creating a Green Industry Ecosystem

Product Life Cycle Assessment
CATL adheres to the concept of carbon reduction throughout the lifecycle of products and services, actively building a sustainable eco-system into the whole value chain. Based on a comprehensive study of carbon footprint of products, CATL focuses on carbon emissions within the specific components of its value chain, which is the part that accounts for a high proportion of emissions and is difficult to reduce, and has proposed a phased carbon reduction theory for the core business value chain.

Model building: According to ISO 14025:2006, ISO 14067, the EU’s Product Environmental Footprint Category Rules (PEFCR), and other standards, CATL independently constructed an analytical model for analyzing carbon footprint of products, covering GHG emissions from raw material production, transportation, product use, and recycling stages.

Product evaluation: During the reporting period, the Life Cycle Assessment (LCA) for over 50 products has been completed.

Green raw materials: Includes key decarbonization issues such as responding to climate change, energy management, discharge, emission and waste control, and management of recycled materials in the first phase of the “YSET Circular” transparency audit program on sustainable value chain.

Product life cycle: Including the life cycle of product carbon footprint, the comparative research on carbon footprint assessment methods.

Multi-Path Carbon Reduction throughout the Value Chain
CATL actively promotes the implementation of solutions such as green raw materials, logistics electrification, and EV battery directional recycling at different levels of the value chain, thus advancing comprehensive electrification.

Green raw materials: Includes key decarbonization issues such as responding to climate change, energy management, discharge, emission and waste control, and management of recycled materials in the first phase of the “YSET Circular” transparency audit program on sustainable value chain.

Green logistics: All suppliers’ newly purchased vehicles are required to meet the China’s stage 6 vehicle emission standards. The first line of electric heavy-duty trucks was commissioned in China to support suppliers using electric heavy-duty trucks. CATL also set emissions reduction requirements for various types of vessels on international routes.

Green recycling: Through the EV battery one-stop recycling and targeted recycling carried out by Guangdong Brunp, a subsidiary of CATL, the total recycling efficiency of nickel, cobalt and manganese climbed to over 99.3%. CATL collaborated with a local partner in Europe to promote the localization of cathode materials and EV battery recycling business in Europe.

Working Together to Build a Low-Carbon Industry Chain
By continuously strengthening cooperation and bringing more partners into the green ecosystem, CATL has further activated the overall competitive advantage of the new energy industry in greenpower, and built a new model for sustainable development across the industry chain.

Standards Development: CATL has joined the “Working Group of Battery Carbon Accounting Standards” of the China Industrial Association of Power Sources, participating in developing standards such as the Assessment Requirements for Green Factory in Lithium-Ion Tractive Battery Manufacturing Industry (T/CESA 1993-2020). Internationally, CATL was elected to the new Board of Directors of the Global Battery Alliance (GBA), and became a member of Supervision Committee of the Alliance. It is an active participant in formulating global rules concerning carbon footprints, ESG, battery passports, and other matters.

Research Cooperation: CATL worked with the Ministry of Ecology and Environment to complete the preliminary research and data accounting for the Battery Recycling Carbon Footprint Research Project. The Company also worked with Tianjin University to investigate the carbon footprint of EV battery raw material products, and the comparative research on carbon footprint assessment methods.

Training & Empowerment: During the reporting period, 25 training courses related to carbon footprint were provided to employees from all segments. These covered energy management, accounting for enterprise-wide GHG emissions, product carbon footprint, etc.
Green R&D and Innovation

The Concept of Green R&D

CATL, a global leader of new energy innovative technologies, has an in-depth understanding of the EV battery industry. From the beginning phase of the Company's research and development, it has focused on evaluating environmental benefits during the research and development phase, and has provided leadership in green manufacturing with its R&D innovation. In the R&D phase, the Company includes factors such as energy consumption, carbon emissions, and material recovery performance into the process, in order to reduce its possible environmental impact. It also carries out perspective research for new technologies to integrate the performance cost and environmental impact of the technology. CATL also conducts proactive analysis with such metrics as product carbon footprint, water pollution impact, soil pollution impact and biological toxicity impact, to achieve comprehensive green and low-carbon production while ensuring product compliance.

R&D testing is an integral part of the R&D process. CATL focuses on carbon reduction within the R&D process, and maximizes the internal energy circulation, as well as reduces the impact of heating dissipation on cell production and storage by optimizing the number of channel configurations of the charge/discharge machine in the R&D testing stage of the cell.

R&D Innovation Layout

CATL focuses on four systems of innovation: innovation in material and electrochemistry system, structure system innovation, extreme manufacturing innovation, and business model innovation. The scope of the Company's R&D covers the entire industry chain from material production, cell manufacturing, system integration to recycling, and has formed a unique digital and intelligent R&D system with a deep understanding of the EV battery industry.

R&D Dimension of Information Technology System

Innovation Dimension | Contents | Achievements in 2022
--- | --- | ---
Innovation in Material and Electrochemistry System | The Company understands the endogenous properties of materials and their interface properties through R&D at the atomic scale, it builds materials with stronger performance, and brings out the original innovation latent in the battery's material. The energy density and low-temperature discharge ability of phosphorus-related systems were continuously improved with the application of the Multi-metal Phosphorus Lithium-Battery. An industry chain for sodium-ion EV batteries was put into construction, further improving energy density and comprehensive performance, with a commitment to commercialize such batteries. | The CTP 3.0 battery Qilin was launched, which achieves the highest integration level worldwide so far, capable of delivering a range of over 1,000 km in a breeze.
Structure System Innovation | The Company lowers energy consumption and cost of the system, and enhances efficiency by improving integration, etc. The CTP 5.0 battery Qilin was launched, which achieves the highest integration level worldwide so far, capable of delivering a range of over 1,000 km in a breeze. | The EVOGO battery swapping services was launched in Xiamen, Heifei, Guaiyang, and other cities, to solve the anxiety of refueling of electric vehicles with its innovative modular battery swapping solution.
Extreme Manufacturing Innovation | Introduced intelligent manufacturing technology on a large scale, and built an ecosystem for industrialization and digital transformation, with in-depth interaction of multiple platforms and systems. The World Economic Forum selected CATL's SC "New production base as a "lighthouse," which became the Company's second lighthouse. By the end of the reporting period, CATL's SC boasted the only two lighthouses in the global Lithium-ion battery industry. | CATL actively cooperates with domestic and overseas universities and research institutes in terms of talent and R&D to further strengthen its innovation capability. We have created R&D innovation platforms for academic research, including the CATL X Future Energy (Shanghai) Research Institute, the CATL-JIM Research Institute, the CATL-Shanghai Jiao Tong University CLEAN Energy Technology Joint Research Center, and the CATL Academy of Sciences Clean Energy Joint Laboratory. During the reporting period, the Company engaged in personnel training, scientific and technological research, and project application, in collaboration with 56 leading universities and research institutes, among them, Shanghai Jiao Tong University, Beijing Institute of Technology, Harbin Institute of Technology, and the China Academy of Sciences.
Business Model Innovation | From raw materials, EV battery manufacturing, operational services, to materials recycling, an ecosystem has been created for EV battery production. The EVOGO battery swapping solution was launched in Xiamen, Heifei, Guaiyang, and other cities, to solve the anxiety of refueling of electric vehicles with its innovative modular battery swapping solution. | CATL is committed to building a high-level talent education system. As of the end of the reporting period, the Company had in place a professional R&D team of 16,322 people, including 2,852 members with master's degrees and 264 PhDs. CATL actively cooperates with prominent colleges and universities and research institutions in terms of talent and R&D to further strengthen its innovation capability. We have created R&D innovation platforms for academic research, including the CATL X Future Energy (Shanghai) Research Institute, the CATL-JIM Research Institute, the CATL-Shanghai Jiao Tong University CLEAN Energy Technology Joint Research Center, and the CATL Academy of Sciences Clean Energy Joint Laboratory. During the reporting period, the Company engaged in personnel training, scientific and technological research, and project application, in collaboration with 56 leading universities and research institutes, among them, Shanghai Jiao Tong University, Beijing Institute of Technology, Harbin Institute of Technology, and the China Academy of Sciences.

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In October 2018, CATL obtained approval to establish a national postdoctoral workstation. It has also built in-depth collaborations with well-known universities such as Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, and Xiamen University. The Company formulated the Postdoctoral Workstation Management System, adopting the postdoctoral job training mechanism of "Workstation for Personnel Management and Research Institute for Academic Guidance." During the reporting period, four postdoctoral researchers passed their first postdoctoral workstation exit examination, and successfully graduated from the program. CATL organized the First "CATL Cup" New Energy Innovation Competition during the reporting period, officially kicking off at Xiamen University. Forty teams from Tsinghua University, Xiamen University, Huazhong University of Science and Technology, Nankai University, and others participated. The entries in the competition included materials calculation and device simulation, advanced battery and material characterization methods, electrochemical energy storage technology, hydrogen energy and fuel cells, solar energy technology, and other fields. The competition has helped CATL further promote university-level research in new energy innovation, laying the foundation for training new talent, and technological innovation in the new energy industry.
Green Production

Low Carbon Production

• Energy Management

Energy management is one of the tenets of green manufacturing, and it is also the main starting point for enterprises to achieve low carbon development. The direct energy consumed by CATL includes natural gas, gasoline, and diesel. The indirect energy consumed by CATL includes purchased electricity and steam.

Main Energy Types and their Usage

Direct Energy

- Natural gas
  - EV battery (cell) production, gas for staff canteen
- Gasoline
  - Operation of owned vehicles
- Diesel
  - Operation of owned vehicles and backup diesel generator
  - Purchased steam
    - EV battery (cell) production

Indirect Energy

- Purchased electricity
  - Manufacturing, accommodation-related activities, etc.

CATL builds and improves energy management systems in accordance with ISO 50001 and other standards, and formulates several management systems and procedures. These include the Management Procedures for Energy Losses, Regulations & Other Requirements; Management Procedures for Target Indicators of Energy Performance Parameters; Control Procedures for Energy Monitoring, Measurement, and Analysis; Management Control Procedures for Energy Procurement; and Energy Review Procedures. By the end of the reporting period, 100% of the energy management systems of the EV battery production segments which are operating stably and successfully have obtained the corresponding certifications.

During the reporting period, CATL established the Energy Management System, and updated the specifications for energy measuring instruments, and the requirements for statistical analysis and control of metering. This provides a firmer basis for energy management, and enables more robust statistical analyses, as well as assessments for energy savings and consumption reduction. The Company has carried out internal energy measurement audits for the Ningde factory of CATL*, and by the end of the reporting period, we carried out 418 energy-saving and optimization measures, with the expectation of reducing power consumption by 550 million kWh/year; the natural gas consumption by 35,726,630.50 cubic meters/year; and steam by 181,979.57 tonnes/year, equivalent to the elimination of some 447,230 tonnes of carbon-dioxide-equivalent emissions every year.

Key Energy-saving Measures in 2022 and Progress Update

<table>
<thead>
<tr>
<th>Key Projects</th>
<th>Progress of Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation Standby Management</td>
<td>By managing energy efficiency of standby during the formation process in battery production, a reduction of about 18% was achieved in the consumption by the product units in such process. This has eliminated approximately 900 tonnes of CO₂-equivalent emissions per year from a single base.</td>
</tr>
<tr>
<td>Standby Optimization of Cooler</td>
<td>A consumption reduction of 8% was realized in the cooling system by optimizing the standby process. This has eliminated approximately 1,000 tonnes of CO₂-equivalent emissions per year from a single base.</td>
</tr>
<tr>
<td>Boiler System-Efficiency Improvement</td>
<td>The boiler system was retrofitted with an Activation Resonance Fuel Energy Saving Appliance (ARF) device to increase the energy efficiency of the equipment by 4% to 6%.</td>
</tr>
<tr>
<td>Construction of Energy Management System</td>
<td>The CATL Facility Management System (CMS) was constructed and later horizontally deployed to achieve real-time control, early warning, detailed statistics, trend analysis, and prediction of energy consumption in each production process and facility system.</td>
</tr>
<tr>
<td>Life-cycle Management of Power Equipment</td>
<td>Top-level design of the entire equipment lifecycle was carried out, including plant planning, design and construction, business, operations and maintenance modules. A 5% to 5% improvement in the energy efficiency of power equipment is expected.</td>
</tr>
<tr>
<td>Expansion of Energy-Saving Projects</td>
<td>The Factory Information System (FIS) platform has enabled CATL to horizontally deploy energy saving projects for each of the Company’s production bases, with 48 projects having been launched.</td>
</tr>
</tbody>
</table>

CATL, put in place ongoing energy-saving and efficiency-improving measures in manufacturing to promote the green and efficient use of energy. During the reporting period, we carried out 418 energy-saving and optimization measures, with the expectation of reducing power consumption by 550 million kWh/year; the natural gas consumption by 35,726,630.50 cubic meters/year; and steam by 181,979.57 tonnes/year, equivalent to the elimination of some 447,230 tonnes of carbon-dioxide-equivalent emissions every year.

During the reporting period, CATL controlled the electricity consumption of air conditioners, elevators, lighting and other equipment in the office, and encouraged employees to save energy in their daily work. In June 2022, the Company launched “Energy Conservation Awareness Week” for all employees. It created an energy-saving mindset for all employees through campaigns such as raising the awareness of energy conservation and carbon reduction among employees, knowledge contests, creative-idea collection, and low-carbon transportation campaign. The Company has provided multi-level professional courses as well as such themes involving the ISO 14064 and ISO 14067 series, and “dual carbon” path planning. This has helped all employees to achieve higher energy savings and carbon reduction, to bring about carbon neutrality.

1 The calculation was conducted based on the 2022 base value of a conventional coal-fired unit above 300MW specified in 2021 and 2022 National Carbon Emission Trading Quota and Distribution Implementation Plan (Exposure Draft). Considering the dynamic updating of relevant factors, the calculation result of equivalent reduction of GHG emissions from photovoltaic power generation fluctuates with the changes in parameters.

2 Includes distributed photovoltaic power generation, wind/tidal/hydro power purchased from local governments, and the wind/tidal/hydro power capacity corresponding to the International Renewable Energy Certificate (IREC) and the Guarantees of Origin (GO) purchased.
Carbon Emission Accounting

According to the relevant requirements of GHG Protocol and ISO 40641-1:2018, CATL conducts regular GHG accounting for all wholly-owned subsidiaries, and entrusts a third party to conduct independent verification of production bases with substantial GHG emission impact, so as to consolidate the statistical foundations of energy saving and carbon reduction.

CATL has started to calculate the GHG emissions in 2022 in order to analyze the reasons for the upward trend of total emissions, based on changes in energy consumption and energy use structure. In addition, we completed the verification of GHG emissions in 2022. The approved emission performance and verification certificate can be found in the CATL 2021 Carbon Accounting Report. The Company will regularly report other information on emission performance, accounting methodology, third-party verification statement and the progress of carbon reduction measures.

Case: Upgrading the Zero-Carbon Factory to Drive Carbon Neutrality through Three Key Pathways

In March 2022, the certification body SGS granted CATL-SC the PAS 2060:2014 carbon neutral certification. This made CATL-SC’s Yibin base the first “zero-carbon factory” in the global battery industry. The subsidiary established an energy management system in accordance with ISO 50001, and passed the certification to meet the requirements of ISO 50001:2018, obtaining the corresponding certificate in February 2023. CATL-SC will further carry out comprehensive carbon management, and will help create a new low-carbon ecosystem of manufacturing plants while maintaining long-term zero carbon emission through more advanced and more streamlined management, intelligent control, renewable source replacement of energy, and various energy-saving measurements.

Three Key Pathways to “Zero-Carbon Factories” for Sustainable Carbon Neutrality

- **Green Energy**
  - Comprehensive low-carbon energy transition
    - Achieve a 10%’eletric/hydroelectric power supply
    - Achieve carbon neutrality of natural gas use through the low-carbon supply chain.
  - Smart energy management system
    - Fully introduce CFMS to achieve data interconnection, and safe and efficient operation of the facility system.
    - Achieve automated optimization and active control based on big data and other technologies with an annual energy-saving rate of 8%, equivalent to eliminating approximately 11,792 tCO₂-every year.
  - Digital production management
    - Achieve global visual management through a digital production central-control management system. Apply real-time online monitoring and early warning to minimize process losses.
    - Implement quantitative control of equipment operations and energy-saving scheduling through the Manufacturing Execution System (MES). It is estimated that 15,264 tCO₂-e will be eliminated every year accordingly.

- **Green Transportation**
  - Electric logistics
    - Use driverless logistics vehicles, electric forklifts and automated guided vehicles (AGVs) to achieve comprehensive electrification of internal logistics.
    - Implement electric logistics solutions covering all segments of supplier factories, raw material warehouses, processing factories, finished product warehouses, and customer factories.
  - Green transportation
    - Promote shared mobility, and electric mobility, and encourage employees to use EEs.
    - Provide employees with electric buses and encourage them to use shared bicycles.

- **Green Manufacturing**
  - Digital production management
    - Achieve global visual management through a digital production central-control management system. Apply real-time online monitoring and early warning to minimize process losses.
    - Implement quantitative control of equipment operations and energy-saving scheduling through the Manufacturing Execution System (MES). It is estimated that 15,264 tCO₂-e will be eliminated every year accordingly.

  - Production-side energy-saving retrofitting
    - Install a steam condensate recovery system to reduce the fresh water supply of some boilers. Condensate recovery efficiency reaches 85%, and it is estimated that 19,537 tCO₂-e emissions will be eliminated every year.
    - Implement the energy-saving cooling machine overhaul. It is estimated that 23,337 tCO₂-e emissions will be eliminated every year.

  - Closed-loop waste recycling
    - A manufacturing process waste is put into recovery to reduce carbon emissions at its end-of-life disposal.

In November 2022, CATL-SC’s “World’s First Zero-Carbon Battery Factory” was selected as one of the “2022 Corporate Climate Action Case Studies,” and was released and presented at the 27th Conference of the Parties to the UNFCCC (COP27). Seizing this opportunity, the Eastern Industrial Park of Sanjiang New District in Yibin, where CATL-SC is located, is building a net-zero park and putting in place green and low-carbon advantageous industry clusters. In January 2023, CATL-SC led practices related to industrial clusters in Sanjiang New District were successfully selected for the “Transferring Industrial Clusters towards Net Zero” report released by the World Economic Forum (WEF) during its Annual Meeting 2023. In addition, we promote our valuable experience of intelligent, green, and low-carbon development among our production bases worldwide and those of upstream partners, and is committed to building factories with zero-carbon supply chains and a sustainable ecosystem, making more contributions to the global response to climate change.
To support the fast-growing demand for EV battery products in front-end industrial markets, CATL continues to make comprehensive use of automation, digitalization and intelligent technologies to build a powerful manufacturing system and produce high-quality and safe products for users. The company consistently invests in its manufacturing and process systems, improving production efficiency across the entire industry chain. It does so by bringing in various kinds of advanced and highly automated production and logistics equipment into the pre-process, winding, assembly and testing sections, as well as the production line logistics system of EV battery production. At the same time, it has been introducing advanced testing technologies and intelligent equipment to ensure the delivery of quality products.

To further streamline production and enhance capacity, CATL deploys intelligent manufacturing technologies (including big data, cloud computing, digital twinning, edge computing, radio frequency technology, 5G, etc.) across the industry chain. The aim is to create a data-centered system of intelligence and digital transformation, which deeply interacts with multiple platforms and systems, to foster new drivers for the extreme manufacturing architecture.

### Contribute to R&D through Intelligent Manufacturing

- **Product Consistency Improvement**
  - To achieve further consistency in key processes, an intelligent analysis system was created, based on digital technologies such as automatic data acquisition, deep learning and knowledge mapping. This system includes four stages: key metrics monitoring, intelligent analysis, solution recommendation, and closed-loop improvement.

- **Whole-Process Proprietary Software and Algorithm**
  - Developed whole-process proprietary software and algorithms to improve detection efficiency and ensure product quality.

- **Machine Visual Inspection**
  - Used a stable machine visual inspection scheme to reduce the impact of unstable factors in manual visual inspection. During the reporting period, no quality failure due to visual inspection occurred in the production line.
  - The research results were published at the Digital China Summit.

- **Predictive Equipment Maintenance**
  - Developed proprietary edge computing gateway, data acquisition scheme, and machine learning algorithm to build an open and configurable equipment situation management platform.
  - Pioneered the use of data, algorithms, platforms and other technologies to achieve predictive maintenance of key equipment in the lithium-ion battery industry, so as to avoid capacity loss caused by unexpected downtime.

- **Knowledge Management**
  - Developed an Engineering Data Intelligent System (EDIS) to realize knowledge-driven automation in the whole process of product design, process design, mass production, and problem solving.

### Four Core Technologies Contribute to the Construction of the “Lighthouse”

- **Global Equipment Monitoring**
  - Achieved 100% online monitoring and intelligent parameter optimization of entire factory buildings and equipment, to optimize energy efficiency.

- **Unmanned Intelligent Inspection**
  - Replaced manual inspection by bionic visual inspection to improve efficiency.

- **5G-Smart Coating**
  - The proprietary automatic adjustment system for coating weight consistency has achieved precise control of micrometer and milligram frock-coating, and accurate feeding of equipment.

- **High Automation PACK Production Line**
  - Enhanced design automation with simulation and virtual debugging technology. Through the hot-melt self-tapping screwing process and industrial robots, etc., a 76% reduction in the workforce has been achieved, with a significant increase in man-hour efficiency.

- **Virtual Equipment Debugging**
  - Applied digital twinning technology to equipment virtual debugging, process verification, and other services to shorten the installation and debugging span of new production line by 46.7%.

- **Three Breakthroughs in Defect Detection**
  - High-precision defect detection at key welding stations, detection of winding defects under complex working conditions, and detection of defects in the pre-process under high-speed fluid conditions are the three major breakthroughs that have streamlined the inspection process and reduced waste in production.

- **Automated Identification of Violation**
  - Video streaming and other technologies are used to break the barrier between networks and systems. Irregularities in the production process are automatically identified and intelligently worked through real-time video imaging to avoid risks and losses from accidents during the production process.

- **Scenario-based Safety Protection**
  - Customized safety protection solutions for different production scenarios. For example, by combining infrared thermal imaging with other technologies, centralized temperature monitoring of warehouse cells and temperature monitoring of cells within high-temperature processes has been achieved, thus improving production safety and stability.

### Case: The “Lighthouse” Leads the Way to High-quality Development

CATL integrates various intelligent manufacturing technologies to build the “lighthouse” as a vehicle leading the way towards the quality development of the new energy industry. During the reporting period, CATL-SC’s Yibin factory became CATL’s second production base to be named a “lighthouse,” following CATL’s Ningde Factory. To date, CATL has only two lighthouses in the global lithium-ion battery industry.

The Global Lighthouse Network (GLN) is a community led by WEF and is composed of the world’s leading manufacturers and value chains. This community of manufacturers shows leadership in using Fourth Industrial Revolution technologies to transform factories, value chains and business models, for compelling financial and operational returns.

CATL-SC, based on the achievements of its Ningde Factory “lighthouse,” achieved a 17% increase in production line speed, and a 14% reduction in yield loss, by further applying technologies such as the Industrial Internet of Things and flexible automation. This achievement marks a new stage in the development of intelligent manufacturing of its EV batteries.

CATL is replicating the agile and flexible intelligent manufacturing experience, and promoting it in various production bases around the world to further build the world’s top “Sustainability Lighthouses.”
Product Quality and Customer Service Management

Product Quality

- Quality Management System

Superior products and services are the foundation of CATL’s business. The Company has established a quality management system suitable for its operating features, and it implements comprehensive quality assurance and quality prevention.

CATL has set quality metrics such as incoming material inspection pass rate, process one-time excellence rate, and failure rate, which are regulated on a monthly and annual basis. The Company has achieved quality management of products over the entire lifecycle, including project quality management, supplier quality management, process quality management, and other aspects.

- Life-Cycle Quality Management System

Project Quality Management

CATL’s project quality management is based on the Integrated Product Development (IPD) process, including scientific methods such as V-model, demand scenario structuring, Quality Function Deployment (QFD), Failure Mode and Effects Analysis (FMEA), and Advanced Product Quality Planning (APQP), among others. CATL is the first in the industry to build a comprehensive requirement attribute structure model, identify product design and production risks in advance through requirement modeling, and set five quality threshold points with 1588 evaluation metrics to ensure project quality.

Supplier Quality Management

Achieve win-win in quality with suppliers through supplier access audit and screening, fixed-point selection, APQP quality planning and production part approval process (PPAP), quality performance assessment, skill training and reinforcement, and attractive incentives for suppliers. During the reporting period, the Company conducted quality training for 161 key suppliers.

All raw material suppliers are required to sign the Guarantee on No Use of Prohibited Substances to ensure that the delivered finished products meet the requirements of the EU’s Directive on End-of-Life Vehicles (ELV); Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH); and customers’ demands.

Process Quality Management

Fully identify the key processes and elements of process management from the aspects of human, machine, material, method, environment, and measurement, to ensure the consistency of product quality.

Customer Quality Management

Formulate an efficient customer response mechanism and a professional Failure Analysis (FA) team to make continuous efforts to improve customer satisfaction.

Quality System Management

Ensures high value on the use of quality assessment tools. Quality assessment indices are allocated to each department to enhance the quality awareness of all staff.

Continuously improve the quality management system through annual internal audits, external audits, and management reviews, to ensure the adequacy and effectiveness of the system operation.

Quality Training and Motivation

Company-level, department-level, and team-level quality training systems have been established. Carry out 200 general quality skills and professional courses for all employees both online and offline, centering on 8 Disciplines (8D) problem solving, seven tools of quality control, Six Sigma, etc., and ensure that the coverage rate of staff quality training is 100%.

Enhance the effectiveness of training with assessment, and each person participates in at least one quality knowledge training.

Formulated the Incentive Scheme for Quality Control Lecturer and Students to provide rewards for outstanding employees in training courses.

CATL promotes digital upgrades in product quality management, and improves the efficiency and accuracy of product quality management through big data and robot learning.

Digital Quality Management Measures

- Introduced intelligent data and intelligent inspection technologies to streamline the inspection process.

- Established the Statistical Process Control (SPC) system to monitor production process data in real time, with linkage to equipment achieving sound and light alarm & shutdown.

- Created closed-loop management with scenario-wide problem management planning, by “identifying the problem, solving the problem, expanding horizontally, gradually accumulating experience, and accumulating experience in new projects.”

- Enhanced further application of machine learning including creating a big data prediction model to quickly diagnose non-conforming products.
Product Safety and Reliability Management

Product safety and reliability are the most important attributes of quality, while the core of good quality is high reliability. Since 2006, CATL has been building product reliability and gradually expanding the reliability team. Through mechanism simulation, FA, development of new test methods and standardization of test methods, the Company develops and continues to optimize methods and models of reliability analysis. We carry out product reliability risk management and data management over the entire process of technical elements, product development and mass production, and ensure the safety and reliability of products throughout the entire product lifecycle. We carry out product reliability risk management and data management over the entire process of technical elements, product development and mass production, and ensure the safety and reliability of products throughout the entire product lifecycle. In addition, CATL has focused on constructing a product safety and reliability system, standardizing product safety and reliability in all aspects of the product lifecycle. We established company-level safety and reliability test procedures, and evaluation standards for EV battery cells, modules and packs. We expect to support the formulation of industry standards whilst setting enterprise-wide standards.

Key links in Material and Product Inspection

- **Incoming Materials Inspection**
  - Check the quality of materials at the reception stage to ensure that the materials used in production meet the requirements.

- **Inspection and Sampling Inspection of Conforming Materials**
  - Monitor the process while inspecting the working procedure during the process to ensure that the process operation meets the requirements.

- **Warehousing and Delivery Inspection**
  - The Quality Control (QC) team inspects the products before warehousing and delivery to ensure that the finished products meet the shipment requirements.

CATL formulated the Non-conforming Product Control Procedure to standardize the non-conforming product management procedure in the two areas of business and field process. The Company has put in place a closed-loop system for identification, markings, isolation, review, disposal and improvement, and defines the responsible department of each process, so as to strictly control quality.
Closed Loop Management of Non-Conforming Products

- Identification: Identify the suspicious or non-conforming products
- Marking: Mark the suspicious or non-conforming products through physical red-sheet identification and system identification
- Isolation: Place such products in the designated isolation area
- Handling: Relevant departments scrap, rework and implement other corresponding procedures on non-conforming products according to assessment results
- Improvement: Analyze non-conforming product data for improvement and continuous monitoring
- End: Terminate the management process

Quality Culture with Full Participation

Quality culture is essential for the CATL’s quality management and business development, and we regard quality management as a compulsory course for employees. We have created a quality culture environment of “Full Responsibility and Full Participation,” and have enhanced the quality management awareness of all employees through performance appraisal, knowledge sharing, and evaluation.

Every year, CATL analyzes its own pain points and shortcomings in quality based on the achievement of the overall quality objectives for the year, and sets the quality-related KPIs for each department in terms of market failure performance, quality cost, problem solving effectiveness, and timeliness, which involve relevant departments including marketing, R&D, engineering manufacturing, supply chain and operations systems, and account for 10% to 30% of the overall performance of each department, depending on their relevance.

CATL provides “Excellence in Quality” training courses to employees, sets core skills and course objectives according to position and rank, and makes continuous improvements to avoid the recurrence of quality events.

CATL formulated the Handling Process of Customer Complaints to manage the quality problems raised by customer feedback. The cross-functional team analyzes and makes improvements based on the four stages of problem reception and confirmation, problem analysis, problem improvement, and problem ending. For common problems and batch-related problems, a company-level special improvement team has been set up to mitigate the problems according to the Six Sigma engineering method, relying on the Project Driven Score System (PDS).

If an accident is caused by a defective product, CATL will immediately take damage control measures, find out the cause of the defect and thoroughly eliminate the problem. An agile group will carry out the re-examination according to CATL’s Management System for Re-examination and Improvement of Quality Events, sort out the technical, process and management omissions in terms of both technology and management, and make continuous improvements to avoid the recurrence of quality events.

Quality Culture is essential for the CATL’s quality management and business development, and we regard quality management as a compulsory course for employees. We have created a quality culture environment of “Full Responsibility and Full Participation,” and have enhanced the quality management awareness of all employees through performance appraisal, knowledge sharing, and evaluation.

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CATL provides “Excellence in Quality” training courses to employees, sets core skills and course objectives according to position and rank, and links the completion of key courses with personnel promotion. During the reporting period, CATL carried out 18 quality management certification courses, covering quality management, project management, quality tools and other aspects, and organized more than 20 lectures, with attendance of more than 1,200.

CATL invites internal and external experts to carry out professional training and assessment, and offers trainings on quality tool, work skills, system process, product technology for engineers and managers, and conducts assessment, combining theory with practice.

Customer Service

Customer Relationship Management

CATL, upholding the “customer-centric” service concept, strives to strengthen pre-sales, in-sale, and after-sales customer service, and build a quality-driven customer service system. The Company has implemented customer relationship management systems such as the Management Procedures for Bidding of Customer Projects, Handling Procedures for Return/Exchange of Goods by Customers, and Customer Satisfaction Management Procedure. During the reporting period, the Company has updated the Customer Service System to improve the internal management of customer service and the speed at which queries from customers are responded to.

Focusing on long-term customer needs, CATL has implemented digital and intelligent customer management models, and established a customer demand management system. Integrated data is promoted in sales, marketing and customer service departments, and the data from each department is pulled to achieve traceability of data sources. This optimizes the Company’s deployment of internal capacity to better meet customer expectations.

CATL is committed to building a customer service team with strong operational competence and high professionalism. The Company regularly identifies the professionalism and abilities of relevant personnel, distinguishes and summarizes different job responsibilities and the content of training manuals. At the same time, the Company has established a five-role team (sales staff, project managers, product designers, after-sales personnel, and quality personnel, “SPPAQ”). The team connects with relevant customer service departments, so as to quickly meet customer expectations, coordinate internal resources, and solve customer issues. It also conducts online and offline training on customer relationship management for team members of “SPPAQ”, and simultaneously releases the relevant resources at the knowledge database and online-learning platform.

In terms of after-sales service, CATL has formulated systematic customer after-sales service management documents such as the Quality Complaint Handling Process, Customer Negative Feedback and Complaint Handling, and after-sales 400 Customer Return Visit Specification, and established a customer complaint quality management system. We have emphasized that a dedicated person is assigned to each customer complaint incident, and standardized the requirements including the efficiency of response to customer requests. CATL was awarded the five-star National After-Sales Service Certification in 2017, and the seven-star (Excellence) certificate of CTESAS1001-2017 in 2019, both of which remain valid.

During the reporting period, the Company further obtained the twelfth-star certification of CTESAS1001-2017.

In order to adopt to global trends in business and deliver a better service experience to customers, the Company has launched the Global Service System (GSS), creating an intelligent and digital after-sales service online system, with “One Platform” for global after-sales service, and “Dual Data Centers” one for domestic and one for ex-China. During the reporting period, the GSS system has been equipped with digital intelligence capabilities, such as active early-warning of service, access of demand from multi-channel service, and end-to-end traceability of products after maintenance. These further enhance CATL’s other after-sales services capabilities.

CATL established a timely and effective customer complaint handling mechanism. Customers can submit their complaints or questions through the 24-hour hot line 400-918-0869. The hotline supervisor will judge the seriousness and nature of the complaint, and direct it to the appropriate group for handling. Depending on the customer’s maintenance request, the Company will handle general faults within 6 hours, and trouble-shoot difficult faults within 72 hours. After the complaint or problem has been handled, CATL will report to and communicate with the customer, and then close the file. During the reporting period, the Company has achieved a 100% complaint closure rate.

Through quality management activities such as Quality Month and Quality Control Circle (QCC), CATL encourages all employees to actively participate in quality management and enhances their quality awareness. During the Quality Month, the Company carried out a series of quality management promotion activities, including training and supporting resources covering the key points of quality assurance, offline outreach activities, videos on the topic with room for employee comments, exercises with quality knowledge cards, and assessment, among others. The employees who participated in Quality Month were enthusiastic, with an average of 9,950 hours spent cumulatively by employees in offline activities, an attendance of over 9,950 at the study and assessment of quality knowledge cards, and an attendance of over 200 at the training courses on quality. Employees added 112 comments judged worthwhile by management to the videos on quality. Focusing on the theme of “Improving Little by Little, Gathering Infinite Value,” the Company seeks quality improvement suggestions from all employees, organizes the implementation of such suggestions, and commands outstanding teams through regular review.

Customer Service

Customer Relationship Management

CATL, upholding the “customer-centric” service concept, continues to strengthen pre-sales, in-sale and after-sales customer service, and build a quality-driven customer service system. The Company has implemented customer relationship management systems such as the Management Procedures for Bidding of Customer Projects, Handling Procedures for Return/Exchange of Goods by Customers, and Customer Satisfaction Management Procedure. During the reporting period, the Company has updated the Market System Contract and Document Management System and the Customer Satisfaction Management Procedure to improve the internal management of customer service and the speed at which queries from customers are responded to.

Focusing on long-term customer needs, CATL has implemented digital and intelligent customer management models, and established a customer demand management system. Integrated data is promoted in sales, marketing and customer service departments, and the data from each department is pulled to achieve traceability of data sources. This optimizes the Company’s deployment of internal capacity to better meet customer expectations.

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CATL formulated the Customer Satisfaction Management Procedure, and conducted satisfaction surveys with customers (both domestic and ex-China) annually. According to survey results, the Company builds a list of the most commonly cited problems, establishes a solution for each problem, provides feedback within the time-limit as negotiated with the customer, and confirms whether the solution has proven effective in the subsequent survey. The results of the survey serve as an important reference point for the performance assessment of relevant departments. At the same time, the Company visits the customers at least twice a year to collect feedback on problems in the service process.

CATL has established a special team independent of the sales system to conduct customer satisfaction surveys. During the reporting period, it conducted satisfaction surveys on nearly 200 customers, among which 88% expressed satisfaction with the service.

CATL conducts responsible marketing, customer communication, and anti-corruption training for all sales staff regularly. All staff from the marketing department 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.

**Responsible Marketing**

CATL insists on responsible sales and marketing, and provides accurate and comprehensive information in market development, customer sales and product label management. The Company incorporates compliance awareness into the entire process of business development and contract management, and regulates the compliance of the marketing department, sales team, and product team in the business process.

CATL conducts responsible marketing, customer communication, and anti-corruption training for all sales staff regularly. All staff from the marketing department 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.

**Battery Recycling**

EV batteries boast high recycling value. If the retired EV batteries are not disposed of properly, it will not only present a negative environmental impact and become a hidden danger to the society, but also waste resources. CATL focuses on building a closed loop of recycling ecosystem of raw materials and battery products, leading quality recycling through technological breakthroughs, and facilitating efficient utilization of resources and interactive symbiosis between human and nature.

Guangdong Brunp, a subsidiary of CATL, is an important part of the Company’s EV battery industry ecosystem. It has built a recycling system of the entire battery industry chain with complementary upstream and downstream advantages. By establishing a systematic recycling system and utilizing advanced recycling technology, it extracts reusable resources such as metals, nonmetals and other polymer materials from the battery carrier. At the same time, it applies these high-end products to the primary manufacturing field, with the original “reverse product positioning design” and “directional recycling” technologies for EV batteries, thus promoting the sustainable development of the new energy vehicle industry. Guangdong Brunp has taken the lead in solving the industry-wide problem of “Waste Reduction” in the field of recycling used batteries worldwide through the original directional recycling technologies. The total recovery rate of metals such as nickel, cobalt and manganese has topped 99.9%.

Guangdong Brunp has established seven production bases worldwide in Foshan (Guangdong), Changsha (Hunan), Pingnan and Fuding (Fujian), Yichang (Hubei), Morowali and Weda Bay (Indonesia). Meanwhile, the subsidiary has built scientific research platforms including a National Enterprise Technology Center, the National and Local Joint Engineering Research Center for EV Battery Recycling of New Energy Vehicles, the Brunp Sub-center of National Engineering Research Center for Electrochemical Energy Storage Technology, a CNAS-certified testing and verification center, and the Guangdong Key Laboratory for Battery Recycling Enterprises.

By the end of the reporting period, Guangdong Brunp had participated in the preparation and revision of 293 standards for waste battery recycling and battery materials (including the 180 published standards) and applied for 1,950 patents. In addition, Guangdong Brunp was designated one of the “Top 100 Private Enterprises in Guangdong Province in 2022.”
Environmental Protection: Clean and Transparent Production System

While leading the innovative development of the new energy industry, CATL is dedicated to improving the standardized and transparent environmental management system, implementing the concept of resource conservation and green-cycling, and consistently reducing the negative impact of operations on the environment. By doing so, we further our role as an environmentally-friendly sustainable development manufacturer and highlights our green image.

Environmental management system
- 0 major environmental accidents
- Invested CNY 942.55 million in environmental protection compliance and publicity, environmental technology development, as well as the construction and operations of environmental protection facilities

Resource management
- Reduced wood usage the year by some 120,000 tonnes by optimizing extreme and composite packaging, and bringing in recyclable appliances
- Recyclable/regenerable materials accounted for 98% of packaging

Emission and waste management
- Emission concentrations of pollutants in major entities under environmental regulation are below 75% of the relevant standard limits (including CO2, NH3-N, NOx, and SO2).
- The recycling rate of general industrial solid waste reached 99.87%
Packaging material is an important means by which CATL supports recycling. CATL gives priority to packaging made of recyclable materials or regenerable materials. During the reporting period, the Company increased the use of metal and High Density Polyethylene (HDPE) in the packaging of battery packs and in the packaging module, as such packaging can be recycled for 3 to 7 years. These materials have been used in approximately 200,000 battery pack turnover boxes and 180,000 module turnover boxes, satisfying the annual packaging requirements for relevant products.

CATL attaches great importance to systematic and visual management of packaging materials. It has developed its management system for finished appliance operations to follow up and monitor in real time the whole process of reception, inventory, release and recycling of finished EV battery package appliances, adding in large measure to improvements in the management of relevant issues, and increased the turnover efficiency of recyclable packaging materials by 200% to 300%.

Recyclable Packaging Supports Resource Regeneration

Packaging material is an important means by which CATL supports recycling. CATL gives priority to packaging made of recyclable materials or regenerable materials. During the reporting period, the Company increased the use of metal and High Density Polyethylene (HDPE) in the packaging of battery packs and in the packaging module, as such packaging can be recycled for 3 to 7 years. These materials have been used in approximately 200,000 battery pack turnover boxes and 180,000 module turnover boxes, satisfying the annual packaging requirements for relevant products.

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1 “Recyclable materials” refer to the materials that can be reprocessed to produce new materials after becoming waste; and “regenerable materials” refer to the materials that can be collected, reused or recycled in other processes after its service life.
Environmental Management System

System Construction

With “Protecting the Global Environment, Implementing Clean Production, and Building a Green Culture” as the guideline of environmental management, CATL drew up the Environmental Management Manual to guide the build out of the Company’s environmental management system, in accordance with ISO 14001 requirements and the Company’s current needs. It is also used as a programmatic document to guide the construction and improvement of the Company’s environmental management system. CATL published Environmental Management Declaration in June 2022, to provide more standard and transparent environmental management requirements and measures.

CATL founded the Safe Production Committee, with the Chairman of the Board as the committee director, and Board members and senior management of the Company as the committee members. The Committee is responsible for reviewing and releasing the Company’s safety and environmental protection policies and goals, supervising the implementation and improvement of environmental management policies, and making decisions on major safety and environmental protection issues. Furthermore, the Committee also organizes each production base to carry out environmental factor identification, compliance review, internal audit, management review, among other processes. During the reporting period, CATL has updated the Control Procedure for Environment, Safety and Health Objectives, Metrics and Management Plan, and incorporated the environment compliance, key task execution, and other indicators into the manager performance assessment in relevant departments.

During the reporting period, CATL has invested CNY 942,551,000 in environmental compliance and awareness programs, environmental technology development and the construction and operation of environmental protection facilities. By the end of the reporting period, the EV battery production subsidiaries which has been operating stably, and qualified for certification of the environmental management had all passed ISO 14001:2015 certification and obtained corresponding certificates. Other bases under construction or that have just finished construction have been building their environmental management system in accordance with ISO 14001 requirements. Subsidiaries in other business sectors including Guangdong Bruni and Hunan Bruni also acquired relevant certifications.

Environmental Audit

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 during the reporting period, and carried out environmental risk assessment of the workplace.

CATL continues to carry out preventive environmental audits. The internal audit is conducted annually, covering the production bases in stable operation in the battery production sector as well as the newly established bases including CATL-FD, CATL-JC and CATL-RQ. External audits are regularly carried out by professional third parties commissioned by the Company. This includes conducting a sample audit of the environmental impact of relevant operations at least once a year for all production bases with stable operations in the EV battery production segment, as well as a complete audit of all bases every three years. In the meantime, CATL actively works with customers to undertake two-party environmental audits, to assure that customer requirements on environmental management are satisfied.

CATL conducts process coaching and improvement follow-up through bi-weekly meetings. The semi-annual on-site review and annual audit score are based on this, and the issues that emerge in the audit are continuously followed up until the loop is closed. In addition, for shareholding companies and core suppliers, the Company conducts on-site reviews of their environmental protection compliance, operation conditions of environmental protection facilities, environment monitoring data, and solid waste disposal compliance. It is required to set annual emission and solid waste reduction targets for key pollutants, and continuously track the rectification and achievement of emission reduction targets post-audit. By the end of the reporting period, CATL has reviewed and provided instructions to 74 shareholding companies and core suppliers.

Environmental Emergency Response and Awareness Raising

CATL attaches importance to the prevention of and response to environmental emergencies, and spares no effort in enhancing the Company’s environmental emergency response capability. For the response to the contingencies such as chemical leakage, hazardous waste leakage, wastewater discharge accidents, and environmental events caused by fire, the Company prepared the CATL’s Emergency Plan for Environmental Incidents, and implemented various accident drills, fire drills, and trainings.

During the reporting period, CATL signed the Collaboration and Mutual Assistance Agreement for Environmental Pollution Emergencies with relevant vendors, to further consolidate its own ability to support and respond to emergencies. Moreover, the Company has held over 5,000 emergency drills, including sewage leakage drills at sewage treatment stations, emergency drills for failure of waste gas treatment facilities, and for hazardous waste leakage accidents, etc. In this way, a result, employees’ emergency response capabilities have been improved, and potential hazards of environmental emergencies have been mitigated.

During the reporting period, CATL provided 176 special trainings on environmental protection compliance management, identification and evaluation of environmental factors, standardized management of waste gas, standardized management of solid waste, and radiation safety management, with cumulative attendance of more than 180,000. The environment-related trainings covering 100% of our employees, and the training assessment pass rate was greater than 99%

In addition, CATL is actively involved in building environmental awareness throughout the local community. CATL participated in the publicity campaigns organized by local ecology and environment agencies, as well as in fundraising for “green libraries” and organizations involved in enhancing pandemic preparedness. CATL was named as the “eco-environment-friendly enterprise” of Donggang Economic and Technological Development Zone in Fuzhou.

Resource Management

Water Stewardship

During the reporting period, CATL’s water withdrawal came from municipal sources, with no direct or indirect impact on water resources as a result of a change in water withdrawal, consumption, discharge, or storage.

CATL has developed a contingency plan for water outages and a mechanism to ensure water supply, and implemented corresponding water-saving measures during production and operations, to comprehensively streamline water resource management. The Company has incorporated metrics related to water resource utilization in the performance assessment, and linked them to the compensation of relevant personnel in the production bases involved in EV battery production, to further inspire management initiatives for further improvements in this area.
### Raw Material Management

Raw materials used by CATL mainly include cathode and anode materials, electrolytes, separators, etc. CATL proactively builds an ecological closed loop for directed recycling of EV battery products, and increases the proportion in the use of recyclable and regenerable raw materials. Moreover, CATL adheres to ethical procurement of raw materials, and is committed to avoiding using mineral resources from conflict areas (see “Due Diligence Management of Responsible Mineral Supply Chains” for details).

CATL insists on using raw materials with a relative low environmental footprint, to reduce environmental impact from the source. CATL has developed the Product Environmental Management Procedures, carrying out risk management of prohibited substances for all raw material suppliers. This ensures that the use of lead, mercury, cadmium, hexavalent chromium, PBBs, PBDEs and asbestos meet the Requirements for Prohibited Substances on Automobiles (GB/T 30512-2014) and other national laws, regulations and standards. In addition, CATL has drawn up the Recyclable Material Investigation and Verification Workbook, to investigate and collect information on the use of recyclable materials among production material suppliers annually.

### Packaging Material Management

Packaging materials used by CATL, include metal crates, plastic crates, PP hollow board boxes, renewable wood/paper utensils, etc. CATL has developed and constantly updated the Packaging Design Specification, to summarize the design features of its packaging and relevant regulatory requirements, and guarantee the compliance of packaging and the use of legs.

CATL continues to explore green packaging solutions, giving priority to recyclable, degradable and low-consumption packaging materials. We focus on the development and management of three areas of packaging materials: recyclable, extreme, and composite packaging materials. It incorporates metrics such as weight reduction of disposable packages and the increase of the utilization rate of recyclable packages in the performance assessment of relevant departments.

In addition to using recyclable packaging materials (see under “Our Focus 2022” in this chapter for details), CATL has developed extreme and composite packaging materials of high performance, explored the boundary of extreme packaging materials and increased the utilization rate of composite packaging materials. In this way doing so, annual wood usage has been reduced by approximately 120,000 tonnes.

![Image of packaging materials](image)

### Management of Pollutant Discharge and Environmental Impact

**Management of Discharge, Emission, and Waste**

CATL has implemented environmental management and strict control, treatment, and disposal of pollutants and waste, to improve the local environment. It does so in strict accordance with the Law of the People's Republic of China on the Prevention and Control of Water Pollution, 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 and other laws and regulations, as well as national and industrial standards such as the Emission Standard of Pollutants for Battery Industry (GB 50444-2015), Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008), Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB 18599-2020) and Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001) and the laws, regulations and standards in the locations of operations.

CATL has developed a company-wide internal management system covering wastewater, exhaust gas, factory noise, and solid wastes generated in production and operations. This ensures the normal operation of environmental protection facilities, and that the discharge or emission of such pollutants are up to the standards, and that disposal of solid wastes is in compliance.

In accordance with relevant regulations, CATL has developed environmental self-monitoring programs covering wastewater, exhaust gas, factory noise, and other items. As required, it carries out self has its own monitoring facilities in place with monitoring, and its monitoring indicators are to meet the relevant requirements. During the reporting period, CATL set the air pollutant reduction goal of “Reducing Nitrogen Oxide (NOx) emission per unit capacity by 10% in 2025 compared to 2021,” and made sure that new facilities were built so as to meet low-emission standards in order to accomplish the goal.

During the reporting period, CATL implemented measures involving the installation of new equipment and optimization of the process, to reduce the discharge or emission of different types of pollutants and solid wastes. The Company upgraded the facilities for control of organic waste gas, introduced the Regenerative Thermal Oxidizer (RTO), and Thermal Oxidizer (TO) processes into ten facilities including CATL, to properly dispose of electrolyte exhaust gas, and has reduced the emissions of Volatile Organic Compounds (VOCs) by over 5%. Moreover, ten facilities, including CATL, CATL FD, and CATL JC, have installed low-nitrogen boilers, and decreased the extreme NOx emission of the boiler to below 50 mg/Nm³. CATL has also made improvements to control the fugitive emission of special gases such as fluoride, and has set up a low-pressure alarm device against the release of SF6 from all high-voltage switchgears at each production base, for early detection, capture and treatment of fugitive gas.
Main Environmental Impacts of Major Entities under Environmental Regulation

<table>
<thead>
<tr>
<th>Company and its Subsidiaries</th>
<th>Wastewater Pollutant</th>
<th>Air Pollutant</th>
<th>Hazardous Waste</th>
<th>Non-hazardous Industrial Solid Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATL*</td>
<td>COD, NH₃-N</td>
<td>NOₓ, SO₂</td>
<td>Waste electrolyte, waste adhesive container, waste circuit board, waste glue, etc.</td>
<td>NMP waste liquid, waste copper/aluminum foil, waste pole piece, waste seal, etc.</td>
</tr>
<tr>
<td>Hunan Brump</td>
<td>COD, NH₃-N, total nickel</td>
<td>NOₓ, SO₂, PM, NMHC</td>
<td>Zinc-copper slag, extraction residue, etc.</td>
<td>Calcium slag, by-product slag, graphite, etc.</td>
</tr>
<tr>
<td>Guangdong Brump</td>
<td></td>
<td>PM, NMHC</td>
<td>Nickel-containing sludge, etc.</td>
<td>Waste steel, waste wood, etc.</td>
</tr>
<tr>
<td>LONGYAN SIDONG</td>
<td>COD, NH₃-N</td>
<td>PM, NMHC</td>
<td>Remediation residue, waste activated carbon from organic waste gas treatment facilities</td>
<td>Biochemical sludge from sewage treatment stations</td>
</tr>
<tr>
<td>CATL SIDONG</td>
<td></td>
<td></td>
<td></td>
<td>Waste paper, waste metal, etc.</td>
</tr>
</tbody>
</table>

During the reporting period, the projects under construction at CATL* and all subsidiaries mentioned above all meet the requirements of the environmental impact assessment system and environmental protection administrative license. All projects have obtained such licenses.

Appendix: Gives the annual discharge or emissions and relevant administrative license information for the major entities under environmental regulation in 2022.

Soil and Groundwater Protection

CATL attaches great importance to the impact of its production, operations, and relevant environmental factors on the soil and groundwater. It has identified the soil and groundwater environmental risk factors, including industrial wastewater, chemical raw materials, and hazardous waste. CATL does not directly withdraw groundwater, and does not directly discharge production wastewater or domestic sewage, either. The Company has formulated Work Instructions for Environmental Self-monitoring, regularly monitors and deals with any hidden risk in soil and groundwater, and promptly follows up the remediation of latent hazards until the loop is closed.

During the reporting period, CATL has had six Company or its subsidiaries, including CATL*, CATL-SC and CATL-SH, carry out soil and groundwater monitoring, started retrofits of exposed pipes in the industrial wastewater pipe network at HR Base of CATL*, to reduce the risks of soil and groundwater pollution.

During the reporting period, CATL has not been exposed to any environmental event that had a major impact on soil and groundwater.

Biodiversity

CATL is continuously concerned about the impact of its own activities on biodiversity. In line with the Soil Pollution Prevention and Control Law of the People’s Republic of China, the Opinions on Further Strengthening Biodiversity Protection released by the General Office of the State Council, Regulations on Groundwater Management released by the State Council, and other relevant laws, regulations and policies, CATL identifies risk factors and investigates hidden risks on biodiversity.

During the reporting period, CATL held biodiversity knowledge exhibitions and competitions in conjunction with “Sustainable Development Month” to raise awareness of biodiversity conservation among employees. The Company will further contribute to making a diverse planet, to support the “Post-2020 Global Biodiversity Framework” with practical actions.

During the reporting period, CATL had no production bases or operation sites within or near natural reserves or rich biodiversity regions. No major impact on biodiversity has been found in the Company’s production, operations, products or services.
CATL, as a global leader in new energy innovative technologies, has been committed to building a globally competitive new energy industry chain ecosystem. The Company works hand in hand with supply chain partners to build an “innovative, collaborative, safe, efficient, and green” supply chain system, and continuously undertakes the quality-driven development of the new energy value chain.

Building a safe and responsible supply chain

- During the reporting period, the due diligence audit of responsible mineral supply chains of 57 suppliers was completed, covering primary suppliers, refineries, smelters and mines.

Empowering supply chain management capabilities

- During the reporting period, 51 training sessions on sustainable development were given to suppliers’ employees.
- APQP practical training helps to improve the suppliers’ ability of project quality planning with an improvement on the timeliness rate of Company’s approval on production part by 46.8% if comparing with that of 2021.

"CREDIt” Transparency Audit Program on Sustainable Value Chain

- Establish the first “CREDIt Program” audit system, including 24 secondary evaluation indicators and 135 tertiary evaluation indicators.
- Conduct on-site audit of core raw materials suppliers such as cathode and anode materials.
Our Focus 2022:
Enhancing Supply Chain Cooperation and Boosting the Industry’s Sustainable Transformation

CATL officially launched the “CREDIT” transparency audit program on sustainable value chain (referred to as the “CREDIT” program), the industry’s first audit toolkit created by CATL for the lithium-ion battery supply chain. The first “CREDIT” program includes five modules: a sustainable development management mechanism, business ethics, environmental protection, labor practice and responsible sourcing, including 24 secondary evaluation indicators and 135 tertiary evaluation indicators. These cover the key ESG issues, and are applicable to all direct and indirect suppliers of CATL. Through evaluation and analysis, the Company helps the supply chain partners to strengthen their consciousness of sustainable development and explore the opportunities presented by sustainability actions. During the reporting period, based on the first “CREDIT” program, the Company invited third parties to conduct on-site audits of 35 suppliers of core raw materials including cathode and anode materials.

CATL will improve and expand the assessment scope and indicators according to the improvement of each supplier’s sustainable development management ability, and assign the assessment weights of different modules according to the industry and category.

Working Together to Build a Green and High-Quality Value Chain

CATL continues to assist supply chain partners in strengthening their sustainable development management through reasonable incentives. By a common communication platform, the Company encourages them to jointly engage in the quality-driven development of the new energy industry chain.

On December, CATL’s 2022 Supplier Conference themed “Cooperate for Win-Win through Carbon Reduction” was held in Xiamen, Fujian Province. Dr. Robin Zeng, chairman of CATL, together with other executives, engaged in an in-depth dialogue with the representatives from nearly 400 suppliers worldwide.

In addition, the Company conducted an annual comprehensive evaluation of all suppliers, addressing such aspects as quality, delivery, cost, technology, service and sustainable development. In order to commend the partners who have made outstanding contributions to the high-quality development of CATL in 2022, the “Excellent Supplier of the Year,” the “Technology Innovation Award,” the “Quality Excellence Award,” the “Best Delivery Award,” the “Sustainable Development Promotion Award” and other awards were presented to excellent suppliers at the conference.

In order to further facilitate the sustainable development of the industry chain, CATL engaged in joint research with supply chain partners and issued the Carbon Footprint Methodology and Database Research of EV Battery Recycling Link. At present, the research has systematically identified the development status and trends of both the domestic and international EV battery recycling industries, investigated and analyzed the carbon footprint level of major domestic recyclers, and cited some problems and suggestions on how to maintain the sustainable development of China’s lithium-ion battery recycling industry.
Supply Chain Quality Management

CATL classifies its suppliers by business category into production and non-production material suppliers. After a comprehensive evaluation of the supplier's ability and willingness to improve, the suppliers are further classified into core, important, and general suppliers. The Company has formulated the Supplier Management Procedures to clarify the requirements of supplier classification, evaluation and management, and implement differentiated management for different types of suppliers.

CATL conducts quality management such as access audit and performance monitoring for all the suppliers and key sub-suppliers. Clear requirements have been put in place in terms of quality standards, while the quality level and management ability of suppliers in terms of quality evaluation system management, personnel capability, product development and process quality, and quality improvement are evaluated. In the access evaluation stage, the supplier's quality score accounts for 55%, and the "one-vote veto system" has been implemented for quality.

For the key suppliers who fail their audit rating, CATL assigns its internal quality personnel to visit the supplier's site to assist them in improving their quality and ensure the timely delivery with the Company's order. Additionally, for the problems found during the on-site audit, the Company's quality personnel will guide the suppliers to carry out improvement measures.

CATL has formulated the Supplier Monthly Performance Management System and the Supplier Red Yellow Card Early Warning System to carry out regular performance supervision of suppliers. Among them, the supplier's annual on-site audit plan covers system operations, process control, change management, and other quality management elements. The core suppliers are audited at least once a year, and all suppliers are to be audited at least once every three years.

CATL regularly monitors the management of the qualification, performance of contract, safety and integrity of suppliers, and guides and supervises them to solve identified issues, so as to ensure the safety and compliance of their business operation.

Digital Transformation of Supply Chain Management

Digital transformation of supply chain management is an urgent need with the rapid business growth. CATL has developed the Digital Performance Management (DPM) platform, intelligent cost analysis, and other management tools to improve the efficiency of supply chain management.

During the reporting period, CATL created an online version of the key quantitative indicators through the DPM platform. The system can perform data analysis, real-time monitoring, variance tracking, prompt identification of existing problems and risks in various fields, identification of the direction of improvement and the person responsible for the measures, real-time tracking and achieve the closed-loop management. By doing so, CATL effectively improves supply chain management.

Enhancing Supply Chain Resilience

Building a stable supply chain

In order to ensure the stable supply of strategic resources, CATL constantly optimizes the supply chain structure and continuously diversifies suppliers in all channels. The Company builds a localized supply chain portfolio, encourages all production sites to engage in localized sourcing, or invites the external suppliers to set up factories in or around the production facility with the purpose to shorten the transportation period, reduce time-to-market, reduce risk and enhance the ability to rapidly respond to any hiccup in the supply chain system.

At the same time, the Company continues to facilitate synergic development of the industry, and work on improving the sourcing of minerals and other raw materials, as well as the battery recycling process, to further smooth the battery life-cycle industry chain and enhance the Company's resource support capability.

Empower Supply Chain Partners

CATL, in order to encourage suppliers to continuously improve quality, the Company selects the best suppliers once every quarter based on quality performance, level of cooperation in major project development, degree of progress in improving quality, contribution to quality improvement, among other factors, and commends them through supplier management websites, supplier meetings, emails and other channels.
Building a Responsible Supply Chain

Sustainable Development Management of the Supply Chain

CATL integrates the sustainable development of the supply chain into the supply chain management system, and implements environmental and social responsibility risk management for suppliers.

In order to achieve the sustainable development of the industry chain, CATL put in place sustainable development management objectives and improvement requirements based on the management status of suppliers, including the percentage of applying green power and recycled material, carbon emission intensity and energy consumption intensity per unit product. The Company regularly monitors the suppliers’ progress in achieving sustainable development performance goals through on-site audits, third-party inspections, online meetings and other methods.

CATL continued to expand the scope of due diligence audits of the responsible mineral supply chains. During the reporting period, the coverage of due diligence audit was expanded from the suppliers of key materials such as nickel, cobalt, manganese, lithium, natural graphite, copper, aluminium, and mica to the suppliers and partners from upstream and downstream supply chains, such as cathode materials, cathode materials, cathode materials, copper, aluminium, foil, and mica involving key minerals. Moreover, in the reporting period, CATL authorized a third party to complete the audit of 57 suppliers, covering direct suppliers, retailers, smelters, and mines. No red flags such as child labor, inhumane treatment, forced labor, armed conflict or ecological damage were found.

As a member of the Responsible Cobalt Initiative (RCI), CATL actively participates in building a communication and cooperation platform for responsible cobalt industry initiatives. It participates in information sharing and experience exchanging among upstream and downstream suppliers and partners. CATL also takes active in developing and implementing the due diligence management policy to respect the human rights of cobalt industry workers, make possible the cobalt industry in preventing conflict-

The Due Diligence Management Process of Responsible Mineral Supply Chains

Management System

- The setup of Supply Chain Sustainability Committee that manages the establishment of a responsible supply chain in systematic and standardized ways.
- Formulates the Due Diligence Management Policy for Responsible Mineral Resources Supply Chain.
- Make a due diligence plan, and conduct due diligence management system training for key employees of all responsible departments according to the requirements at least once a year.
- Regularly conduct due diligence audits in the upstream supply chain.
- Make a due diligence plan, and conduct due diligence management system training for key employees of all responsible departments according to the requirements at least once a year.

Risk Identification and Evaluation

- Formulates the procedures for identification of Conflict-Affected and High-Risk Areas (CAHR) and the implementation process of the supplier questionnaire (Know Your Supplier, KYE).
- Collect supply chain maps from relevant suppliers and authorize a third party to carry out annual supply chain due diligence to identify the upstream areas of mineral supply chain and the risks based on CAHR program and KYE process.
- Regularly conduct due diligence audits in the upstream supply chain.
- Make a due diligence plan, and trace the progress based on the problems identified during the audits.

Risk Management

- Coordinate on-site audits timely for high-risk environments in the supply chain, and supervise suppliers to implement corrective measures.
- Set up a management team for due diligence risks, and authorize a third party to carry out responsible mineral due diligence audits in the upstream supply chain.
- Make a due diligence plan, and trace the progress based on the problems identified during the audits.

Supervision and Audit

- Conduct sustainable risk audit of all core suppliers once every year.
- Make a due diligence plan, and conduct due diligence management system training for key employees of all responsible departments according to the requirements at least once a year.

Information Disclosure

- Conduct sustainable risk audit of all core suppliers once every year.
- Make a due diligence plan, and conduct due diligence management system training for key employees of all responsible departments according to the requirements at least once a year.

Due Diligence Management of Responsible Mineral Supply Chains

For the use of mineral resources such as nickel, cobalt, manganese, lithium, graphite, mica, copper and aluminium, which may be used in production and operations, CATL insists on ethical procurement, commits to not using mineral resources from conflict areas, and explicitly requires its suppliers not to use the mineral resources from conflict-affected areas in violation of the Company’s policy.

CATL, is committed to developing the SDGs in the conflict-affected areas, and in order to further enhance the suppliers’ ability to conduct due diligence towards their own upstream, the Company conducted training for key mineral suppliers involving nickel, cobalt, manganese, lithium, natural graphite, copper, aluminium, and mica. The training was named “Introduction to Due Diligence Management of Responsible Mineral Supply Chains” and “Risk Identification and Assessment Methods of Mineral Supply Chains.”
Adding to the Quality of the Workforce: A Win-Win Development Platform for Excellence

CATL insists on building a platform for the growth and nurturing of talent, respects the rights of all employees, and provides them with excellent benefits alongside career development opportunities, with the goal of meeting not only their material needs but also provide psychological support when needed. CATL firmly believes in empowering employees in all aspects and fully stimulating their development potential. CATL adheres to just management, to always protect the safety and health of employees and help them achieve personal growth as they help the growth of the Company.

Meet the Psychological and Material Needs of Employees

- 12 group counseling sessions, 1 psychology knowledge contest, 15 lectures on psychology and 36 trainings were held, with an attendance of 5,200.
- 198 cultural and sports events were held, with an attendance of 187,895.
- 164 employees with financial difficulties have been sponsored by the mutual aid fund, with total amount of CNY 1.9895 million.

Empower Employee Growth

- A system of on-staff coaches was established, with 960 coaches newly joined during the reporting period.
- The "new enterprise apprenticeship" program was launched. In 2022, the third phase of the program trained 958 intermediate skilled workers.

Protect the Safety and Health of Employees

- Provided occupational health and safety education and training for all employees with an attendance of 1,000,000.
Overview of CATL Sustainable Development

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and helped 61 couples get married. During the reporting period, the Company held 36 networking events to live them with good memory of establishing happy families at the place where they work. Dr. Robin Zeng, chairman of CATL, personally wrote marriage letters for his newly-married colleagues. In order to assist employees with the dating and marriage journey, the Company established the Matchmaking Club and a Matchmaker Team to address their long-term housing needs.

- In order to assist more employees to live and work in CATL comfortably, the Company provides support to help employee settle down, build up home and help their children to go to schools, so as to create peaceful life and working environment and improve their sense of belonging.

Settle Down and Build a Happy Family Together

CATL always adheres to the vision of "providing a platform for employees to pursue psychological and material well-being," helping employees to be happy in their life and in their work in a peace of mind environment, and achieving simultaneous growth of both employees and the Company. In order to assist more employees to live and work in CATL comfortably, the Company provides support to help employee settle down, build up home and help their children to go to schools, so as to create peaceful life and working environment and improve their sense of belonging.

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Enjoy Work and Explore the Road to Career Development

CATL actively assists employees who have concerns about the education of their children. The Company funded the construction of Chunfengli Camp of Primary School Affiliated to Ningde Normal University (referred to as Chunfengli Primary School). At the same time, CATL coordinates with Ningde’s education administrative department to assist in the process of arranging attendance in kindergarten, primary school, junior high school and senior high school to fulfill the schooling needs of employees’ children.

- In order to assist more employees to live and work in CATL comfortably, the Company provides support to help employee settle down, build up home and help their children to go to schools, so as to create peaceful life and working environment and improve their sense of belonging.

Our Focus 2022:
Enjoying Life and Work, Building a Platform for Psychological and Material Prosperity

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Contribute to Community
Employee Rights and Benefits

Protection of Employee Rights and Interests

CATL has established a sound human resource management system to standardize the management of recruitment and dismissal, compensation and promotion, working hours and holidays, and safeguard the legitimate rights and interests of employees.

CATL strictly abides by the Labor Law of the People’s Republic of China and other laws and regulations of China and overseas operations, adheres to the principle of equal employment, and creates a diversified and inclusive working environment.

During the reporting period, all full-time employees of the Company signed labor contracts, and no labor dispatch exists. The Company paid social and medical insurance and other documents required by the government, ensuring that all work is voluntary. All employees of the Company must be over the age of 18.

CATL prohibits involuntary labor, and holding the original identity cards of the country or region where its business operates, and ensures that the employment conditions in the contract signed with employees are clearly expressed in language that the employees can understand. The Company prohibits involuntary labor, and holding the original identity cards and travel documents issued by the government, ensuring that all work is voluntary. All employees of the Company must be over the age of 18.

During the reporting period, all full-time employees of the Company signed labor contracts, and no labor dispatch exists. The Company paid social insurance for all employees under the labor contract system by 100%.

Recruitment and Dismissal

- Adhere to the principle of “Openness and Fairness” to treat all applicants equally and recruit workers on a selective basis.
- Handle dismissal matters according to the local laws and regulations at the place of operation.
- During the reporting period, the Regulations on Recruitment and Dismissal, Detailed Rules on Management and Regulations on Overseas Salary and Welfare Management were updated to further standardize the payment process and encourage employees career development.
- Establish a performance-based incentive salary mechanism to encourage all employees to grow with the Company.
- During the reporting period, the Attendance Management System and the Management Rules for Leave and Vacation were updated and issued to strengthen the management of working hours and holidays, and to ensure that the working hours in each operation facility obey the requirements of local laws.
- Arranged shifts according to production needs. Employees need to apply in advance for overtime working hours if necessary.
- Regularly monitor the arrangement of working hours, inform management of the overtime schedule of workers on the production line, and adjust the working hours in a timely manner to ensure their physical and mental health.

Remuneration and Promotion

- Adhere to the principle of equal pay for equal work. Depending on the position, ability, and performance of employees and average rate of the industry, the Company has designed a matching salary structure to provide employees with competitive salaries.
- During the reporting period, the Remuneration Rules and Promotion management rules were updated to further standardize the payment process and encourage employees career development.
- Implement the promotion management principle of “Openness, Fairness and Justice” and establish a science-based promotion management process to ensure the development of outstanding individuals in the workplace.
- Establish a performance-based incentive salary mechanism to encourage all employees to grow with the Company.
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Working Hours and Holidays

- Adhere to the principle of “Openness and Fairness” to treat all applicants equally and recruit workers on a selective basis.
- Handle dismissal matters according to the local laws and regulations at the place of operation.
- During the reporting period, the Rules on Working Hours and Holiday Management were updated to further standardize the payment process and encourage employees career development.
- Establish a performance-based incentive salary mechanism to encourage all employees to grow with the Company.
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- Regularly monitor the arrangement of working hours, inform management of the overtime schedule of workers on the production line, and adjust the working hours in a timely manner to ensure their physical and mental health.

In accordance with the management requirements of the Internal Audit System, CATL conducts a comprehensive, objective audit of the human resources operations of branches and subsidiaries every year. This covers the development of organization and employees, frontline staff recruitment, social recruitment, training and other aspects, to ensure the effective implementation of the human resources system at all subsidiaries.

Equality and Pluralism

CATL strictly abides by the Labor Law of the People’s Republic of China and other laws and regulations of China and overseas operations, adheres to the principle of equal employment, and creates a diversified and inclusive working environment.

During the reporting period, CATL updated the Policy on the Protection of Labor Rights and Interests, clarifying the principles of equal employment and zero tolerance of discrimination. In terms of employment, salary, training, promotion opportunities, etc., CATL forbids discrimination of any kind or any unfair treatment of employees due to age, disability, nationality, gender, marital status, nationality, political outlook, race, religion, sexual orientation, affiliation with a trade union, etc. At the same time, the Company is not allowed to require the applicant to take a pregnancy test or physical examination (except for the requirements of applicable laws and regulations and careful consideration for workplace safety), and may not discriminate against the applicant because of the examination results. Interviewers who are relatives of candidates should recuse themselves from the hiring process, and not participate in the interview of the candidate. During the reporting period, there have been no incidents of discrimination in the Company contrary to the above requirements.

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Employee Benefits

CATL actively creates a happy and harmonious working atmosphere for employees, provides good welfare, and organizes diversified cultural and sports activities to create conditions for employees to maintain work-life balance. Meanwhile, CATL continues to pay attention to the needs of female employees and employees with difficulties.

Basic Employee Benefits

- All employees enjoy good welfare, including shuttle bus to and from work, lodging allowance, five major social insurance programs or housing provident fund, annual physical examination, gift packages and team building activities.
- Provide employees with parental leave and one-child care leave. As for parental leave, the employees who have registered their marriage legally and have children in accordance with the Regulations of Fujian Province on Population and Family Planning can enjoy 10 days of parental leave every year before their children reaching the age of 5.
- A series of activities are arranged with holiday feature and traditional customs to celebrate the New Year’s Day, Spring Festival, Mid-Autumn Festival, National Day and other holidays.
- Various theme activities including family visit days, fluorescent fun run, watermelon parties and group weddings, as well as care activities such as “sending coolness in summer.” Tree moves, business public welfare days, and caring for pregnant women are held timely every year.
- Install indoor and outdoor basketball courts, dance studios, gyms, badminton courts, and other activity centers and equipment encourage employees to establish hobby clubs such as basketball, eading, running, and dancing club for ongoing activities.

Care for Female Employees

- Protect pregnant employees by offering flexible working hours. Do not arrange pregnant employees in the production line to work on night, and do not assign them jobs that are not conducive to pregnancy. Provide basic auxiliary facilities for pregnant employees, and adjust the period and frequency of when they are on leave according to their own needs.
- All facilities are equipped with maternal and child rooms, with separate access for pregnant women letting pregnant employees feel convenience. On top of statutory holidays, female employees can take maternity leave, breastfeeding leave and other holidays.
- A “Care for Women” event was held on Women’s Day in 2022, inviting female employees to participate in the Flower arrangement, the presentation of the Family Education Promotion Law of the People’s Republic of China (PRC) and the Ningde Women’s Fun Games.
- A series of activities are arranged with holiday feature and traditional customs to celebrate the New Year’s Day, Spring Festival, Mid-Autumn Festival, National Day and other holidays.

Care for the Mental Health of Employees

- Invites qualified counselors to provide one-on-one psychological counseling services for employees and their immediate family members. During the reporting period, the resident consultants saw employees for 269 sessions while remote consultants engaged in 755 sessions.
- Provide psychological examinations every year to help the Company understand the psychological state of each employee, and provide a basis for the Employee Assistance Program (EAP) and the improvement of operation management. Consultants are invited to take care of employees who demonstrate psychological risks such as depression in their psychological examination. During the reporting period, 98% of employees participated in the psychological examination.
- Enhance employees’ psychological health consciousness through email, internal collaboration applications, internal forums, posters, banners, etc.
- Set up Psychological Health Month and host a series of psychological health activities, such as Psychology Carnival as well as Mindfulness and Mindfulness-Based Stress Reduction.

Employee Communication Mechanism

CATL has built an open, transparent and democratic communication mechanism. It respects employee rights such as freedom of association, and has created a diversified democratic communication platform for employees through several channels such as a labor union and employees’ congress, communications and interviews with employees, and internal management surveys.

Supporting the Lives of Retired Employees

- The Company cares about its employees and their families, and has set up the CATL Mutual Aid Emergency Fund to help the employees with difficulties and provide basic living support for them. CN1 lays CN4 subsidiarity on the Company shall be deducted from employees’ salary as the contribution to the relief fund pool for mutual assistance for employees in need and their families. During the reporting period, the Company accepted and reviewed 54 applications for mutual assistance, and paid subsidies of CN1 199,570 million.

Assistance for employees with difficulties

- Employees face difficulties. Employees have difficulties in meeting the requirements of their jobs, and they cannot solve their practical problems. The labor union takes the initiative to visit different places to collect questions according to the On-the-Job Employee Questionnaire, to understand the needs of employees and solve their practical problems.

Diversified employee communication platform

- Diverse communication and interview channels are opened up. Employees can participate in the communication platform through channels such as employee congress, communications and interviews with employees, and internal management surveys.

Labor Union and Employees’ Congress

- Labor Union: All employees are qualified to join the labor union, and the Company respects employees’ willingness to join. The labor union has set up a 24-hour service hotline, through which employees can take issues related to their immediate interests.
- Employees’ congress: The Company conducts annual staff representative meetings to protect the staff’s right to information, participation, expression and consultation. It fully supports the role of democratic management and supervision of employees representatives, to protect the legitimate rights and interests of employees. During the reporting period, the Company held the employees’ congress and reviewed and passed the implementation plan of Flexible Working Hours in Enterprises, Detailed Rules for the Management of Disciplinary Actions of Employees and Code for the Management of Expenditures (European) during the meeting.

Communication and Interviews with Employees

- New employee communication meeting: Each production facility will host a new employee communication meeting. At the same time, the care staff of each facility will select new employee representatives every month and invite them to attend the new employee communication meeting and listen to their needs and feedback.
- On-site employee communication meeting: The care staff of each facility will arrange on-site employee symposium once a month to collect their questions and give feedback as to how to meet all reasonable requests.
- Interview with employees: The labor union takes the initiative to visit different facilities to collect questions according to the On-the-Job Employee Questionnaire, to understand the needs of employees and solve their practical problems.

Internal Management Survey

- Internal management survey. Research focuses on four aspects of basic needs of employees: management support, teamwork and employee development. Based on the result of the survey, the Company conducts self-examination and improvement of existing management problems, and expects the management team to improve the quality of management accordingly. During the reporting period, 15,558 employees participated in the internal management survey, including 95.80% of engineers and employees in higher roles.
Talent Acquisition and Development

Attracting Talent

To acquire quality talent, CATL cooperates with universities to cultivate talent and actively participates in campus recruitment activities. During the reporting period, with the support of the Ministry of Education, the Company cooperated with more than 20 universities to carry out the exchange of “visiting enterprises to expand their posts,” and signed the Agreement on Co-education of Talent between Universities and Enterprises with 10 universities including Dalian University of Technology, Shanghai University of Technology, Shenyang University of Technology and Harbin Institute of Technology.

CATL actively hosts events such as Open Day, special lectures, employment counseling, etc., for college students, as well as multiple opportunities for visits, internships, education and training, which not only can attract talent, but also help the students combine theory with practice, and improve their professional knowledge and ability of the industry.

Employee Training and Development

CATL advocates a “fast learning” culture and is committed to building a learning organization. The Company has established a complete employee training system, and the Human Resources Department co-ordinates training work and formulates training plans covering management ability, expertise, industry knowledge, professionalism and other fields. At the same time, all departments carry out special trainings according to the needs of employees in different systems, such as quality, safety education, sustainable development training, etc., to improve the employees’ capability overall and increase the overall efficiency of the team.

In order to help new employees understand and integrate into the Company better, and further improve their professional quality, CATL provides training courses related to basic qualities for new recruits from campus and society around versatility.

CATL has established a complete onboard training system for new employees, including campus recruitment training, initial professional and social recruitment training initiative. The onboarding training covers a variety of aspects such as general knowledge, information security and corporate culture, as well as anti-discrimination and anti-sexual harassment, eliminating child and forced labor and other compliance-related factors. During the reporting period, the Company conducted 1,273 trainings of new employees.

CATL attaches great importance to improving the professional and technical ability of all employees. To lay a solid foundation for the career development of employees, there are customized courses for employees of different positions, including job-specific courses, special empowerment programs, special training programs for engineers and technicians, career advancement training, onboarding/special training, etc.

During the reporting period, the Company carried out T-Transformation and Secret Weapons of Monitors courses for technicians, with an attendance of more than 30,000; and Six Sigma Green Belt/ Yellow Belt professionalism training programs, covering about 2,000 people.

CATL provides leadership training to all employees according to different levels and positions. These include leadership programs for supervisors, managers and executives, management lecture, management tips, great minds forums, conceptual thinking training, empowerment programs and public course in management, as well as to utilize internal and external resources to continuously empower the growth of employees.

During the reporting period, the Company carried out the management skills upgrading program for team leaders of CATL Core Energy, the management skills upgrading program for supervisors of CATL Core Power Team, the management skills upgrading program for newly-promoted managers of CATL Core Soiling and management lecture to help employees improve their management skills, covering about 6,000 people.

CATL, together with universities and industry associations, is working to improve the quality of the workforce in China through the introduction of the “Great Minds Forum Initiative.” The initiative is aimed at helping outstanding students to find jobs and develop themselves through seminars, workshops, and special lectures. Through seminars, workshops, and lectures, CATL also offers courses such as great minds forums, master classes, “Six Thinking Hats,” and others, to enhance the ability of employees in their daily work and to provide strong support for the Company’s quality-driven development. During the reporting period, the Company organized 80 great minds forum activities on and off-line, with an attendance of more than 15,000.

Meanwhile, CATL launched the Internal Trainer Program to achieve talent empowerment. The Detailed Rules for the Management of Internal Trainers specifies the recruitment, certification, training and incentives of staff trainers. CATL provides the staff trainers with training resources for teaching performance and curriculum development empowerment as well as incentives. During the reporting period, the Company onboarded 160 trainers. By the end of the reporting period, the number of trainers reached 1,045.

In addition, CATL provides support for all employees to improve their academic qualifications through tuition assistance, so as to enhance their competitiveness in career development. The Company and the Open University of Ningde jointly launched the Reality Learning Dreams program to build a platform for employees to learn, communicate and develop. During the reporting period, 992 employees signed up for the academic upgrading program at the Open University of Ningde, with 186 graduated from the program.

CATL encourages employees to participate in vocational skills competitions, and encourage the upstream and downstream suppliers of battery industry chain to cultivate technical talent. During the reporting period, CATL undertook the first vocational skills competition for battery workers of the new energy industry in Ningde, and the vocational skills competition of the EV battery industry in Shenzhen.
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Adding to the Quality of the Workforce

Management of Work Safety

CATL strictly abides by the Law of Work Safety Law of the People’s Republic of China and the applicable laws and regulations of overseas operations. It has established a complete management system for work safety, put in place the concept of “Safety First, Prevention-Oriented and Integrated Management,” sets six “Zero” targets for work safety, while creating a healthy and safe working environment.

CATL has established the Safe Production Committee as the highest leading group in production safety. The chairman of the Board of Directors is the director of the Productor Safety Committee, while selected members of the Board of Directors and senior management of the Company are members of the Production Safety Committee. The Committee reviews and releases the Company’s production safety-related policies and direction, makes decisions for major safety issues. The Company sets up safety representatives in each department as part-time safety managers. These include employee representatives and ordinary employees, who ensure that safety management requirements are fully implemented horizontally and vertically. During the reporting period, the company established a grid-based safety management system to ensure effective implementation of safety management by establishing a “four-level safety management grid” and clarifying the responsibilities of grid personnel at different levels with structured work lists, to achieve full coverage of the smallest service unit on site, assuring the effective implementation of company’s safety management work.

CATL formulated the Safe Production Management Policy and the Safe Production Responsibility System as the guidelines for safety management. At the same time, all employees must sign the Responsibility Letter for Safe Production every year to implement safe production objectives and responsibilities, level by level.

CATL established a risk classification management and control mechanism and a hidden hazard investigation and management mechanism, and identified and listed the hazards within the Company by regularly organizing comprehensive risk identification and evaluation. For identified hazards, the Company controls and classifies them through engineering, technology, management and other measures, assigns employees of different levels to manage and monitor hazards of different levels, and regularly investigates and eliminates hidden hazards.

By the end of the reporting period, 100% of the production facilities with stable operations and certification qualification have passed the ISO 45001:2018 occupational health and safety management system certification. Other facilities under construction or recently built have also actively invested in the construction of the ISO 45001 occupational health and safety management system. In addition, CATL and CATL-OH have passed the second-level standard assessment of safe production standardization. During the reporting period, the Company’s employee loss-of-work rate was 0.04 per million man-hours.

For suppliers and contractors, CATL has established a supplier production safety management system, formulated in the Supplier Production Safety Management Policy, the Safety and Civilization Service Agreement and other protocols. The safety management requirements of the whole operation cycle from supplier selection, onboard training, construction process management, and end of delivery are clearly defined. The Company strictly controls the safety of suppliers and contractors entering the factory through independent management of business-related departments. Allocation of responsibility for safety in construction areas is based on a grid management system as well as safety supervision and management, so as to ensure the stability and continuity of the Company’s business. During the reporting period, the Company conducted pre-entry safety trainings for construction contractors, with an attendance of 104,967.

Key Links of Supplier Production Safety Management

1. supplier pre-entry audit
2. in-process counseling
3. performance management

- Conduct pre-entry qualification audit for suppliers
- Conduct qualification review, pre-entry safety training, safety disclosure and Virtual Reality (VR) training for construction contractors
- Establish a list for the problems found in the process of audit and counseling, and follow up with the supplier’s remediation plan every month
- Require suppliers to make annual safety objectives and plans
- Supervise the supplier to establish their own internal performance appraisal mechanism

Promotion and Retention of Employees

CATL implements the principles of “Openness, Fairness, and Justice” for promotion management, and establishes a scientific promotion management process through continuous optimization, ensuring that outstanding talent can be identified and be given an opportunity to grow with the Company. Every year, the Company undertakes the promotion of employees at all levels openly and fairly, and discloses the promotion policies to senior management and the heads of all departments. This includes nominated candidates, promotion process, promotion evaluation mechanism and forms, and publicizes the promotion results to ensure the fairness and justice of the promotion process.

CATL has formulated the Personal Performance Management System, which clearly stipulates that those who violate the relevant policies and regulations on maintaining integrity in all processes shall have their promotion and retention of employees to attract and retain outstanding management talent and essential business staff. For example, the Company, following the principle of government guidance, enterprise-oriented and collegiate participation, has comprehensively implemented the new apprenticeship program in line with “The CATL work-study program — The Company becomes a place of learning — Earn a college degree while on the job.” Through the cooperation between the company and the school and the shift between work and study, the Company has developed a new model for staff training and started to build a bank of skilled personnel. During the reporting period, 195 employees were enrolled and trained in the third session of the new apprenticeship intermediate class.

During the reporting period, the Company’s cultivation of skilled personnel obtained high recognition from the public. On December, CATL was awarded the honorary title of National Outstanding Contribution Organization for Cultivation of Skilled Personnel by the Ministry of Human Resources and Social Security of the People’s Republic of China.

In addition to train its own employees, CATL continues to promote the development of a “professional class” for the industry. The Company has joined hands with many leading application-oriented universities and vocational colleges of professional education in China in the fields of industry-university education cooperation programs, such as “New Apprenticeship Program,” “Double-qualification System” and “3+X.” It provides students with practical training, intern opportunities and positions etc., provides schools with teaching equipment, and holds skill competitions jointly, improves the integration of schools and enterprises, achieves the integration of education, training, employment and sustainable development of professional and skilled personnel. For example, the Company, following the principle of government guidance, enterprise-oriented and collegiate participation, has comprehensively implemented the new apprenticeship program in line with “The CATL work-study program — The Company becomes a place of learning — Earn a college degree while on the job.” Through the cooperation between the company and the school and the shift between work and study, the Company has developed a new model for staff training and started to build a bank of skilled personnel. During the reporting period, 195 employees were enrolled and trained in the third session of the new apprenticeship intermediate class.

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CATL also helps employees to explore their own career development path and motivate them. Taking front-line employees as an example, the Company conducts the “Rank” mechanism to encourage employees to participate in “ranking” through training, theoretical assessment, and forms, and publicizes the promotion results to ensure the fairness and justice of the promotion process.

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Digital Transformation of Safety Management

CATL always advocates for the digital and intelligent transformation of safe production. The monitor and management of production site and production processes are strengthened by digital and intelligent projects such as intelligent safety management systems, panoramic factory visualization, and intelligent safety warnings. This enables the timely observation and handling of safety hazards at each production phase.

### The Intelligent Management System Standardizes the Management of Safe Production

The intelligent safety management system launched by CATL includes 12 modules, including onboard training, safety rewards and sanctions, accidents and incidents, and investigation of hidden hazards. The information and intelligent system tools help to improve the convenience, timeliness and work efficiency of the occupational health and safety approval process. The occupational health and safety databases are used to summarize and analyze the occupational health and safety data of the Company, provide data support for occupational health and safety management, and drive safety management through data.

### Panoramic Factory Visualization Monitors Security Risks Comprehensively

CATL promotes panoramic factory visualization, has installed high-definition cameras in high-risk areas of the factory, workshops, facility rooms, warehouses and other areas, conducts remote safety inspections through the operation monitoring center. This allows management to keep an eye on what is going on, streamlines the inspection process, regulates the operational behavior of employees, and avoids the occurrence of hidden hazards in safe production.

### Real-time, early-warning intelligent safety hazard monitoring

CATL relies on the factory fire smoke sensor, camera, combustible gas alarm host, water pressure and water level sensor, site safety sensing equipment and other IoT equipment to build an “intelligent safety warning platform” that integrates intelligent sensing, Near Field Communication (NFC), Internet of Things and other technologies, conducting real-time monitoring and identification of safety hazards caused by smoke and fire, liquid leakage, obstruction of firefighting equipment, and personnel leaving their posts. This solves the problem of omission by manual inspections, achieves dynamic perception and accurate identification of production safety risks, to help factories achieve the “Six Zeros” goal of safe production.

### Building a Safety Culture

CATL actively builds a safe production culture for all employees, and strengthens employees’ safety consciousness and safety affair execution through linking-to-performance, safety education, safe production culture promotion, and encouragement to report potential safety hazards. This promotes safe production and enhances the safety consciousness of all employees.

#### Responsibility for Work Safety is Linked to Performance

To have all employees actively participate in safe production, CATL has established a mechanism of employee safety points, quantifying the safety performance and status of employees through scoring, to gradually correlate employees’ performance, motivate them to participate in safety management.

- **Safety Scoring Mechanism**

  - **Safety Points Ranking**
    - Update and publish the ranking of employees’ safety points in real time, and urge employees to pay attention to and continuously improve their safety performance.
  
  - **Safety Points Reward**
    - Employees can convert points into material rewards through Points Online Mall, which can motivate employees to participate in safety points activities.

  - **Warning and improving safety state**
    - Managers and EHS personnel at all levels can accurately identify the safety status of personnel at different levels such as at production facilities and in departments through safety bulletin board, and promote employees to improve their safety performance through performance appraisal.

### Safety Education

CATL has established a three-level training system for occupational health and safety: the company level, department level, and team level. It covers the basic knowledge of production safety, working environment and risk factors, risk identification methods and risk control measures for production safety, safety and occupational health matters that are related to the collaboration among different functions.

CATL formulated the 2022 Safety Training Plan to regularly conduct safe production-related training for all employees to enhance their safety consciousness and skills. During the reporting period, the Company organized various trainings under safety topics such as the Law on Safe Production, basic knowledge of fire safety, safety of machinery and equipment, and safety management of chemicals, with an attendance over 100,000.
**Safe Production Culture Promotion**

For Safety in Production Month, CATL organized a series of regular educational campaigns every year to publicize and popularize the knowledge of safe production. It aims to create a strong atmosphere of caring and participation in safe production, and facilitate the resolution of underlying and essential problems related to safe production. During the reporting period, with the theme of “Abide by the Law on Work Safety and Be the No. One Responsible Person”, the Company launched various safe production education campaigns such as safety outreach, a safety VR experience, “100-Mile Safety Inspection by the No. 1 Responsible Person” and a safety knowledge contest for all employees. To further enhance employees’ safety consciousness and improve their ability to respond to emergencies, the Company also conducted regular emergency drills for all employees, such as fire, chemical leakage, and boiler explosion evacuation and elevator trap. During the reporting period, the Company carried out more than 5,000 emergency drills, and the employee participation rate was 100%.

**Encourage the Reporting of Safety Risks**

CATL encourages all employees to actively report potential safety hazards found in their work, improves employee consciousness of participation and supervision in safe production, and prevent and avoid accidents. The Company has established a mechanism of “Full Participation in Safety Reporting,” and all employees can report hidden hazards on the intelligent management system in a timely manner, and can also push the relevant responsible persons to implement the remediation. Employees can get personal safety points by proactively reporting hidden hazards, and get recognition and rewards from the Company according to the ranking of safety points.

In addition, CATL has established a complete mechanism for handling safe production incidents, and formulated the Procedure for Reporting and Investigation of EHS Accidents and Incidents to classify the accidents according to the related consequences, and established a classified reporting system and a corresponding management process for signing, approval, implementation and closure.

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**Occupational Health Protection**

CATL prevents occupational disease risks and protects employees’ occupational health by means of system norms, identification and management of occupational hazards, and occupational health monitoring. During the reporting period, no occupational disease cases were found in the Company.

**Occupational Health System Norms**

- Formulate the Occupational Health and Safety Operation Control Procedure, the Provisions on Safety Management of Labor Protection and other systems in strict accordance with the relevant legal requirements of occupational health to provide guidance for occupational health management.

**Identification and Management of Occupational Hazards**

- Following “Three Simultaneities for Occupational Health”, we identify the occupational hazards in the workplace. After identification, the main occupational hazards involved in the Company are noise, inorganic dust, high temperature, inorganic compounds, among others.
- Once the occupational hazards are identified, the corresponding occupational health protection facilities are set up, and regular inspection and maintenance are carried out by special personnel to ensure the effective operation of the facilities.
- Implement regular detection and evaluation of occupational hazards in the workplace, and publicize the detection results to effectively manage the health status of employees and prevent the occurrence of occupational diseases.

**Occupational Health Monitoring**

- Provide pre-job physical examinations, on-the-job physical examinations, and physical examination upon resignation for employees exposed to occupational hazards, and make employee occupational health monitoring files.
- Provide employees with personal protective equipment that meet the requirements of on-job operations, and set up occupational health protection equipment and facilities such as dust collectors and silencers to ensure the occupational health and safety of employees during operation.
Contribution to Community:
A Beautiful and Inclusive Social Ecosystem

CATL supports and positively implements the sustainable development goals of the United Nations, integrating the concept of sustainable development management into all aspects of business operations. It strengthens communication with stakeholders to create good community relations. The Company also joins forces with all sectors to contribute public welfare and rural revitalization, and achieve both economic and social benefits.

Practice the Culture of Sustainable Development

- Organized 799 volunteer activities, with the total of 12,893 participants.
- 1,306 Mongolian scotch pines have been planted in CATL’s charity forests.

Participation in Social Welfare

- During the reporting period, CATL invested CNY 184 million in social welfare.
- CATL employed about 2,000 documented disadvantaged individuals.
**Our Focus 2022:**
Pluralistic Integration, Drawing a “New Picture” of Rural Revitalization

2022 is a crucial year to comprehensively promote rural revitalization. As an important force of society, companies can provide their own resources and capabilities to help achieve rural revitalization.

CATL has been exploring a long-term mechanism to help rural revitalization, and continues to focus on employment promotion, industrial revitalization, education improvement and other initiatives, helping to solid the achievements of poverty alleviation and ultimately achieve common prosperity.

**Stable Employment: The Key Path to Realize Rural Revitalization**

CATL helps economically disadvantaged areas to resolve unemployment by expanding the scope of recruitment and increasing the number of available jobs. During the reporting period, relying on the campaigns undertaken by local public employment services such as “Spring Breeze Action” and “Rescue Assistance Month” in all cities (prefectures) of Guizhou Province, the Company engaged in recruitment campaigns in 9 cities and prefectures, including Guiyang, Anshun, Zunyi and Southwest Guizhou, and successfully recruited 753 people. This effectively promoted the transfer of rural surplus labor and helped farmers increase their income.

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**Industrial Revitalization: The Basis of Comprehensive Revitalization**

The Company has continued with industry-driven rural revitalization, combining the advantages of local featured industry resources, and promoting the development and growth of local industries. It has strengthened the self-motivation of local people, thus local people become driving force to promote the economic development.

During the reporting period, CATL helped rural revitalization through cooperation between villages and enterprises, participated in the “Joint Construction + Grain Production + Industrial Revitalization” to promote local industrial development. In addition, the Company also gives fully to the advantages of village-enterprise to jointly provide support to the local livelihood industry in Jiadi Village and enrich the sales channels of kiwifruit, and thus helped the development of rural featured agriculture.

CATL continues its participation in the “Customized Tea Garden for Poverty Alleviation” program. It has adapted a 553,535.00 m² customized tea garden for the purpose of poverty alleviation, and has provided long-term support specifically for Xidang Village in Shouning County of Ningde, relying on the local tea industry to help rural revitalization. During the reporting period, CNY 6.7226 million was invested in the “Customized Tea Garden for Poverty Alleviation” program.

**Education Revitalization: Injecting Sustainable Development into Rural Areas**

CATL insists on empowering rural revitalization through education, and provides more opportunities for students with financial difficulties to receive education through financial assistance and regular care.

Since 2018, CATL has been organizing the annual “Love and Help Students” campaign to support students in need. During the reporting period, the Company launched the fourth “Love and Help Students” campaign, calling on all employees to donate, with 102 students being sponsored by the Company and its employees. CATL has assigned sponsors to visit the sponsored students in Dongling Village in Huotong Town, and Tangwan Village in Chixi Town and other communities. It distributed subsidies to strengthen communication between sponsors and sponsored students. At the same time, the Company held a “one-on-one” pairing help meeting to promote the pairing of employees and students, and provided the financial assistance according to the annual standard of CNY 2,000 to CNY 5,000 per student until their graduation from high school. It establishes a profile for each student, send them books to help their transformation into knowledgeable young adults, establish a regular care system, make contact cards, and pay regular and dynamic attention to their growth.

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In addition, Guangdong Brunp, a subsidiary of CATL, signed donation agreements with Hunan Institute of Technology, Schuan University, Central South University and other universities to set up a Brunp Education Scholarship” to support universities in the carrying out of scientific research, encouraging outstanding students in their studies and helping the students with financial difficulties realize their dreams. During the reporting period, the Company invested CNY 4.56 million in the “Brunp Education Scholarship.”

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Creating Sustainable Culture

Cultivating an Atmosphere of Sustainable Development

CATL is fulfilling its commitment to sustainable development with practical actions. It is enhancing employee consciousness of sustainable development, and is gradually spreading the values and concepts of sustainable development to more stakeholders, in order to unite diverse social forces and achieve sustainable development together.

CATL insists on integrating the concept of sustainable development into its daily operations. It spreads popular awareness of sustainable development through email, internal magazines, posters, and other channels, and regularly conducts sustainable development training for all employees to embed the concept of sustainable development deeply into corporate culture. During the reporting period, the Company conducted three sustainable development courses and five company-level trainings on product on LCA and carbon footprint.

To comprehensively create a sustainable development atmosphere, CATL has designated September as “Sustainable Development Activity Month.” The Company has launched a series of sustainable development campaigns to raise awareness of sustainable development among employees. CATL also works to extend sustainable development activities outward, and joins hands with more stakeholders to participate in actions that promote sustainable development.

CATL: Watering the Charity Forest

To enhance employee consciousness of environmental protection and engage employees to practice a green and low-carbon lifestyle, CATL has held online and offline watering activities for four consecutive years to encourage employees to “water” the CATL charity forest by means of reward exchange. By the end of the reporting period, the Company has poured 190 tons of water and planted 1,396 Mongolian scotch pines.

Plogging: a Jogging and Litter Pickup Event

During the reporting period, CATL launched its event that combines jogging and litter cleanup, called “Run for the Blue Sky, Run for Fun.” Employees were encouraged to sign up to participate, and contribute to environmental protection. The event provides participants with biodegradable garbage bags and recyclable garbage pickup tongs, to pick up trash along the jogging route. At the same time, the Company encourages employees to participate in public welfare step donation activities to achieve the twin goals of fitness and sustainable development.

“Ring the Green” Activity

CATL prepared potted plants for employees, and presented them to the employees winning a ring-toss game, so that the employees can develop consciousness of protecting the environment through the process of taking care of green plants and enhance their sense of responsibility for green development.

Biodiversity Knowledge Exhibition and Competition

In the 4th Sustainable Development Month, CATL launched an exhibition and online biodiversity knowledge contest of flora and fauna under special state protection around the theme of “Diversity of the Earth, Love of Everything” to help employees understand and protect the animals and plants around them, and further enhance their awareness of biodiversity. On the day of the launch, nearly 2,000 employees participated in the online biodiversity knowledge contest.

Practicing the Commitment of Sustainable Development

CATL encourages employees to actively participate in public welfare, help solve social problems with practical actions, and truly realize the core values of “Refine, Enable, Strive, Innovate.” Since 2017, the Company has set up the “CATL Volunteer Service Team,” and established volunteer service groups in various factories and production facilities to organize public welfare and volunteer activities constantly. It gives full play to the positive energy of the Company, encouraging and influencing more people to participate in promoting sustainable development. By the end of the reporting period, the Company’s volunteer service team had established 24 groups, with more than 14,700 employees having joined the team.

CATL formulates an annual volunteer activity plan, informs volunteer members through emails, activity posters, volunteer communication groups and other channels, and calls on employees to participate in volunteer service. CATL’s volunteer service team uses their spare time to perform volunteer activities in various areas. These include environmental protection and cleaning, visits to public service facilities, voluntary clinic visits and providing haircuts, voluntary blood donation, publicity for epidemic prevention and control, etc. The team can perform their volunteer duties to fulfill social responsibilities and promote social development with actions.

With a view to encouraging more and more CATL employees to participate in social services, CATL conducts outstanding volunteer selection campaigns every two months, during which employee performance is evaluated according to the number of times they have participated in and organized volunteer activities. For outstanding volunteers, the Company awards them with honor certificates and opportunities of team building.

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Creating Social Value Together

Community Communication

CATL attaches great importance to building good relationships with the communities where it operates, and works together with them to promote sustainable development and effectively address their needs by improving community infrastructure. The Company contributes to the progress and development of these communities by participating in cultural activities in the places where it operates. It thereby creates a positive and harmonious relationship between the Company and the local community while ensuring healthy corporate operations.

Support Communities in Improving Infrastructure Development

CATL continues to support communities in improving infrastructure construction, enhancing the supply capacity of public service facilities, and meeting the daily needs of the community. CATL donated CNY 10 million for the construction of Chunfengli Campus of Primary School Affiliated to Ningde Normal University, solving the problem of insufficient places in Ningde’s primary schools. During the reporting period, Chunfengli Primary School has officially started the first enrollment.

Working with the Community to Promote Sustainable Development

CATL joined hands with the community and other stakeholders to participate in the “Sustainable Development Activity Month,” attracting more people to pay attention to sustainable development and driving more local residents to participate in actions to achieve sustainable development. During the reporting period, the Company carried out the scientific and educational activities of “Exploring the Earth’s Carbon, Defending the Earth” in Dongqiao Experimental Primary School, demonstrated the current situation of the earth's environment, the definition and importance of “carbon neutrality” and the knowledge of reducing carbon in everyday life. Students were provided with on-site lectures and interactive games based on the life experience and knowledge reserve of primary school students. CATL makes efforts to publicize sustainable development to the public in an entertaining way, cultivating the awareness of carbon neutrality in the new generation of teenagers.

Helping to Address Community Needs

CATL is actively working on communicating and integrating with the community to address their needs, with a focus on local needs. It works with employees, nonprofit organizations and other stakeholders to provide community support and support for epidemic prevention and control.

- Support epidemic prevention and control: Facing a sudden outbreak in Ningde, CATL concerned about the needs of the community and set up a volunteer team to assist the community grid administrators in carrying out nucleic acid testing for all residents, mobilize employees and their families to participate in the nucleic acid tests, maintain the order on site, help the community to carry out the consultation on prevention and control, and provide psychological counseling for residents during the pandemic.

- Sympathize with the community with care and love: CATL regularly visits communities to help solve local needs. This takes the form of volunteering activities, including visits to the public service facilities, free clinics and haircuts and directing of traffic. During the reporting period, the Company staged three free clinics and haircuts for the elderly in the community and local nursing homes to look after their health.
CATL places emphasis on community relations management as it accelerates its global footprint. It actively maintains communication with the communities where it operates, establishes a good and friendly corporate image by participating in local cultural events, and responds to the needs of local communities. Meanwhile, the company also tries to help local communities to understand CATL better, promote the localization of business operations, and work with the communities to achieve sustainable development together.

CATL, the subsidiary in Germany, has been enthusiastic about the cultural events organized by local organizations such as “30 years GVZ,” “Police Dance Club,” and “Bachadvent” in Arnstadt, and has gradually integrated into the local community, promoting the integration of corporate and local culture and building a harmonious community. During the reporting period, it participated in the local city festival of Arnstadt, where it arranged the CATL booth, introduced its business, products, and objectives in Germany to the local residents, and publicized the CATL’s job vacancy and application methods. The activity enhanced CATL’s local viability greatly and established an image of focusing on diversification and sustainable development.

CATL’s overseas branches and subsidiaries also work together with local non-profit organizations to focus on the social needs of their places of operation through donations of materials and funds.

Focus on the needs of disadvantaged groups in the community: CATL cooperates with the non-profit organization Barrier-free City Arnstadt, participates in the “Piktogrammtafeln” program specially for children with autism or language barriers, and sets up pictographic boards in public playgrounds in Arnstadt to help the children communicate through pictures. At the same time, CATL has donated money to the non-profit organization Tafel Arnstadt for two consecutive years to provide free food for groups in need and meet the living needs of the disadvantaged groups.

Promote environmental protection in the community: CATL works with Baumspat Thüringen, a non-profit organization, to donate 1,500 trees to the Thuringian forest and organize internal management and other employees to participate in tree planting activities to promote local green development and highlight the company’s image of sustainable development.

Emergency response

CATL pays close attention to social needs and has established an efficient emergency response mechanism. Depending on this mechanism, it unites the Jiaocheng Charity Federation and other public welfare organizations, combining its resource capacity with the professional capacity of public welfare organizations to respond quickly to social needs. In addition, CATL takes active measures to help continuously strengthen the ability of emergency management and the ability to solve social problems.

Responding Quickly to Social Needs

CATL responds quickly to natural disasters and gives active assistance. After Moxi Town of Luding County in the Ganzi Tibetan Autonomous Prefecture in Sichuan Province suffered a 6.8-magnitude earthquake, the company donated CNY 5 million to Ganzi Tibetan Autonomous Prefecture through Jiaocheng Charity Federation of Ningde to help the local earthquake relief.

Help solve the needs of local communities

CATL continuously improves the emergency response capability at the places where it operates, and focuses on solving the problems of local communities. During the reporting period, CATL donated CNY 50 million yuan to the Red Cross Society of Ningde for the construction of the local Center for Disease Control and Prevention in east China’s Fujian Province, which helped to facilitate the development of the high-level biosafety laboratory and occupational disease prevention capabilities of Ningde, as well as contributed to the efficient overall planning of pandemic prevention and control and social and economic development.

Furthermore, in January, 2023, CATL announced a donation of CNY 50 million to the Ningle Charity Foundation of Ningde to set up the “CATL Ningle Charity Foundation,” and CNY 50 million to the Jiaocheng Charity Federation to set up the “CATL Jiaocheng Charity Foundation.” The purpose was to support development of public welfare programs related to people’s livelihoods, medical care, and education in Ningde and Jiaocheng district. At the same time, Dr. Robin Zeng, the chairman of CATL, personally donated CNY 10 million to Jiaocheng Charity Federation, and advocated the employees and other stakeholders to actively participate in the donation.
ESG Quantitative Performance Table

Adhering to the "Quantification and Consistency" principle, CATL discloses the quantitative performance that reflects the Company’s achievements in sustainable development management, and traces the corresponding data of previous years as far as possible. The specific coverage of each issue’s data is listed in the following figure.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Governance and Economic Performance</td>
<td></td>
</tr>
<tr>
<td>Economic Performance</td>
<td>●●●</td>
</tr>
<tr>
<td>Intellectual Property Right Protection</td>
<td>●●●</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td></td>
</tr>
<tr>
<td>Environmental Performance</td>
<td></td>
</tr>
<tr>
<td>Energy Use</td>
<td>●●</td>
</tr>
<tr>
<td>Greenhouse Gas Emission</td>
<td>●●</td>
</tr>
<tr>
<td>Water Stewardship</td>
<td>●●</td>
</tr>
<tr>
<td>Packaging Material Use</td>
<td>●●</td>
</tr>
<tr>
<td>Discharge, Emission and Waste*</td>
<td>●●●</td>
</tr>
<tr>
<td>Social Performance</td>
<td></td>
</tr>
<tr>
<td>R&amp;D and Innovation</td>
<td>●●●</td>
</tr>
<tr>
<td>Customers’ Rights and Interests</td>
<td>●●</td>
</tr>
<tr>
<td>Supply Chain Management</td>
<td>●●</td>
</tr>
<tr>
<td>Supplier Training</td>
<td>●●</td>
</tr>
<tr>
<td>Due Diligence Management of Responsible Mineral Supply Chains</td>
<td>●●●</td>
</tr>
<tr>
<td>Employment</td>
<td>●●</td>
</tr>
<tr>
<td>Equality and Diversity</td>
<td>●●</td>
</tr>
<tr>
<td>Employee Support</td>
<td>●●●</td>
</tr>
<tr>
<td>Employees’ Parental Leave*</td>
<td>●●●</td>
</tr>
<tr>
<td>Employee Training†</td>
<td>●●</td>
</tr>
<tr>
<td>Employee Performance Assessment</td>
<td>●●</td>
</tr>
<tr>
<td>Occupational Health and Safety†</td>
<td>●●●</td>
</tr>
<tr>
<td>Social Public Welfare</td>
<td>●●</td>
</tr>
<tr>
<td>Volunteer Service</td>
<td>●●</td>
</tr>
</tbody>
</table>

1 The "Packaging Material Use" data are obtained from some production bases involved in EV battery production, where domestic mass production projects are located.
2 The data on "Discharge, Emission and Waste*" and "Occupational Health and Safety*" are collected from Company and its subsidiaries that are classified as major entities under environmental regulation by local eco-environment management agencies, in addition to domestic and overseas Company and its subsidiaries involved in EV battery production.
3 CATL* and CASW-RZ included.
4 The data on "Employee Training" are collected from CETL-PN in addition to the domestic and overseas Company and its subsidiaries involved in EV battery production.
Corporate Governance and Economic Performance

Statistical Scope of the Data in 2022
The scope of corporate governance and economic data is consistent with that of CATL’s Consolidated Financial Statements.

Comparison with the Previous Year
Anti-corruption performance is disclosed since 2022.

Economic Performance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>CNY 10,000</td>
<td>15,611,842.69</td>
<td>30,786,686.99</td>
<td>60,595,235.19</td>
</tr>
<tr>
<td>Revenue</td>
<td>CNY 10,000</td>
<td>5,035,948.77</td>
<td>15,035,579.64</td>
<td>32,072,998.75</td>
</tr>
<tr>
<td>Revenue growth rate</td>
<td>%</td>
<td>9.90</td>
<td>159.68</td>
<td>152.07</td>
</tr>
<tr>
<td>Net profit</td>
<td>CNY 10,000</td>
<td>4,599,948.81</td>
<td>3,345,714.35</td>
<td></td>
</tr>
<tr>
<td>Net profit growth rate</td>
<td>%</td>
<td>21.77</td>
<td>192.87</td>
<td>87.32</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of listed companies</td>
<td>CNY 10,000</td>
<td>558,533.67</td>
<td>1,593,015.79</td>
<td>3,072,916.35</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>CNY/Share</td>
<td>2.4942</td>
<td>6.8760</td>
<td>12.9787</td>
</tr>
</tbody>
</table>

Intellectual Property Right Protection

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of granted patents</td>
<td>Pcs.</td>
<td>3,317</td>
<td>4,445</td>
<td>5,685</td>
</tr>
<tr>
<td>Domestic</td>
<td>Pcs.</td>
<td>2,969</td>
<td>3,772</td>
<td>5,016</td>
</tr>
<tr>
<td>Overseas</td>
<td>Pcs.</td>
<td>348</td>
<td>673</td>
<td>1,068</td>
</tr>
<tr>
<td>Number of patents in application</td>
<td>Pcs.</td>
<td>3,454</td>
<td>5,777</td>
<td>10,064</td>
</tr>
</tbody>
</table>

Anti-corruption

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total hours of employees participating in anti-corruption training</td>
<td>Hour</td>
<td>65,554</td>
</tr>
<tr>
<td>Proportion of employees participating in anti-corruption training</td>
<td>%</td>
<td>90.0</td>
</tr>
<tr>
<td>Number of operation sites having accepted corruption risk assessment</td>
<td>Pcs.</td>
<td>1</td>
</tr>
<tr>
<td>Number of operation sites exposed to major corruption risk as determined by risk assessment</td>
<td>Pcs.</td>
<td>0</td>
</tr>
</tbody>
</table>

Environmental Performance

Statistical Scope of the Data in 2022
The data of energy use, water resource use and greenhouse gas emission include that from all domestic and overseas production bases involved in EV battery production. The data from CIBC, CATL-FD, CATL-JC and CATL-RJ have been collected and further included this year.

The data of packaging material use include some production bases involved in EV battery production where domestic mass production projects are located, i.e. CATL*, CATL-FD, CATL-SC and CATL-JS.

The data of discharge, emission and waste includes that from all domestic and overseas production bases involved in EV battery production, as well as the production bases of 5 subsidiaries classified as major entities under environmental regulation by local eco-environment management agencies (CATL*, Hunan Brunp, Guangdong Brunp, LONGYAN SICONG and CATL-SICONG).

Comparison with the Previous Year
The statistical scope of discharge, emission and waste data has expanded since 2022.

We additionally report the management performance related to packaging materials use since 2022.

Energy Use

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumption</td>
<td>MW·h</td>
<td>4,599,546.68</td>
<td>9,551,107.94</td>
</tr>
<tr>
<td>Direct energy consumption</td>
<td>MW·h</td>
<td>1,490,571.02</td>
<td>3,202,058.36</td>
</tr>
<tr>
<td>Indirect energy consumption</td>
<td>MW·h</td>
<td>3,109,331.66</td>
<td>6,349,049.58</td>
</tr>
<tr>
<td>Total energy consumption intensity</td>
<td>MW·h/GW·h</td>
<td>28,415.18</td>
<td>29,423.80</td>
</tr>
</tbody>
</table>

1. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
2. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
3. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
4. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
5. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
6. The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 28181-2020). The average net calorific value of natural gas is obtained from the measured value reported by different bases.
Greenhouse Gas Emission

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GHG emissions</td>
<td>tCO2e</td>
<td>2,262,744.87</td>
<td>3,408,278.39</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
<td>tCO2e</td>
<td>809,120.28</td>
<td>855,277.19</td>
</tr>
<tr>
<td>Cell</td>
<td>tCO2e</td>
<td>298,986.20</td>
<td>389,644.18</td>
</tr>
<tr>
<td>Module</td>
<td>tCO2e</td>
<td>115.36</td>
<td>97.65</td>
</tr>
<tr>
<td>Pack</td>
<td>tCO2e</td>
<td>60.97</td>
<td>478.44</td>
</tr>
<tr>
<td>Others</td>
<td>tCO2e</td>
<td>5,959.83</td>
<td>13,502.94</td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
<td>tCO2e</td>
<td>1,599,617.66</td>
<td>2,576,950.19</td>
</tr>
<tr>
<td>Cell</td>
<td>tCO2e</td>
<td>1,634,679.74</td>
<td>2,199,649.71</td>
</tr>
<tr>
<td>Module</td>
<td>tCO2e</td>
<td>81,818.22</td>
<td>107,414.54</td>
</tr>
<tr>
<td>Pack</td>
<td>tCO2e</td>
<td>41,926.57</td>
<td>68,207.10</td>
</tr>
<tr>
<td>Others</td>
<td>tCO2e</td>
<td>204,917.11</td>
<td>207,796.84</td>
</tr>
</tbody>
</table>

Emission intensity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHI emission intensity</td>
<td>tCO2e/MW·h</td>
<td>15.98</td>
<td>10.50</td>
</tr>
<tr>
<td>Cell</td>
<td>tCO2e/MW·h</td>
<td>11.98</td>
<td>9.28</td>
</tr>
<tr>
<td>Module</td>
<td>tCO2e/MW·h</td>
<td>0.51</td>
<td>0.53</td>
</tr>
<tr>
<td>Pack</td>
<td>tCO2e/MW·h</td>
<td>0.26</td>
<td>0.21</td>
</tr>
<tr>
<td>Others</td>
<td>tCO2e/MW·h</td>
<td>1.27</td>
<td>0.68</td>
</tr>
</tbody>
</table>

GHI emission intensity decline

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>10.53</td>
<td>24.69</td>
</tr>
</tbody>
</table>

Water Resource Use

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total water withdraw</td>
<td>m³</td>
<td>10,616,636.52</td>
<td>20,417,519.94</td>
</tr>
</tbody>
</table>

Packaging Material Use

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects using recyclable/regenerable packaging materials</td>
<td>%</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Projects using recyclable/regenerable packaging materials (module)</td>
<td>%</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>Projects using recyclable/regenerable packaging materials (pack)</td>
<td>%</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

Discharge, Emission and Waste

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total water pollutant discharge and air pollutant emissions</td>
<td>Metric ton</td>
<td>57.75</td>
<td>51.26</td>
</tr>
<tr>
<td>Chemical oxygen demand (COD)</td>
<td>Metric ton</td>
<td>3.77</td>
<td>4.65</td>
</tr>
<tr>
<td>Ammonia nitrogen (NH3-N)</td>
<td>Metric ton</td>
<td>119.51</td>
<td>223.16</td>
</tr>
<tr>
<td>Nitrogen oxide (NOx)</td>
<td>Metric ton</td>
<td>5.75</td>
<td>9.96</td>
</tr>
<tr>
<td>Sulfur dioxide (SO2)</td>
<td>Metric ton</td>
<td>51.26</td>
<td>98,392</td>
</tr>
<tr>
<td>Non-hazardous industrial solid waste generation</td>
<td>Metric ton</td>
<td>920,727</td>
<td>920,727</td>
</tr>
<tr>
<td>Non-hazardous industrial solid waste directed to incineration</td>
<td>Metric ton</td>
<td>/</td>
<td>910</td>
</tr>
<tr>
<td>Incineration</td>
<td>Metric ton</td>
<td>/</td>
<td>356</td>
</tr>
<tr>
<td>Landfill</td>
<td>Metric ton</td>
<td>/</td>
<td>774</td>
</tr>
<tr>
<td>Non-hazardous industrial solid waste diverted from disposal</td>
<td>Metric ton</td>
<td>/</td>
<td>697,582</td>
</tr>
<tr>
<td>Reuse</td>
<td>Metric ton</td>
<td>/</td>
<td>366,408</td>
</tr>
<tr>
<td>Recycling</td>
<td>Metric ton</td>
<td>/</td>
<td>240,020</td>
</tr>
<tr>
<td>Recover through other operations (excluding reuse or recycling)</td>
<td>Metric ton</td>
<td>/</td>
<td>90,954</td>
</tr>
</tbody>
</table>
### Social Performance

**Statistical Scope of the Data in 2022**

The scope of the Company's social data (excluding employee training, occupational health and safety and employees' parental leave) is consistent with that of CATL's Consolidated Financial Statements.

Employee training data include that from all domestic and overseas production bases involved in EV battery production, and CETL-PN.

Occupational health and safety data covers all domestic and overseas production bases involved in EV battery production and Company and its subsidiaries that are classified as major entities under environmental regulation by local environmental management agencies.

The data we collected this year include that from CATL* and CASW-RZ.

**Comparison with the Previous Year**

The scope of occupational health and safety is expanded since 2022.

The management performance and relevant data in customers' rights and interests, supply chain management, equality and diversity, employees' parental leave, employee performance assessment and part of social public welfare are disclosed since 2022.

### R&D and Innovation

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product R&amp;D investment</td>
<td>CNY 10,000</td>
<td>556,937.77</td>
<td>769,142.76</td>
<td>1,551,045.55</td>
</tr>
<tr>
<td>R&amp;D expense growth rate</td>
<td>%</td>
<td>19.29</td>
<td>115.48</td>
<td>101.66</td>
</tr>
<tr>
<td>Ratio of R&amp;D expenses to revenue</td>
<td>%</td>
<td>7.09</td>
<td>5.36</td>
<td>4.72</td>
</tr>
<tr>
<td>Total number of R&amp;D personnel</td>
<td>Person</td>
<td>5,592</td>
<td>10,079</td>
<td>16,322</td>
</tr>
<tr>
<td>R&amp;D personnel with doctoral degree</td>
<td>Person</td>
<td>127</td>
<td>171</td>
<td>264</td>
</tr>
<tr>
<td>R&amp;D personnel with master's degree</td>
<td>Person</td>
<td>1,582</td>
<td>2,086</td>
<td>2,952</td>
</tr>
</tbody>
</table>

1. The increase of pollutant from discharge, emissions, and waste generation in 2022 mainly results from the expansion of the statistical scope and the growth of EV battery production capacity.

2. This represents the total quantity of the waste, which have been put into reuse to the original purpose after check, cleaning or repair (including reusing its part or components). The data of 2022 indicates the quantity of wasted NMP reused.

3. This represents the total quantity of the waste, which have been put into reprocessing to produce new materials (including recycling its part or components). The data of 2022 indicates the quantity of waste cells, modules, packs, and anode and cathode diaphragms and plates recycled.

4. This refers to the quantity of the waste recovered and utilized as resources after the change of purpose (such as using the waste directly in other scenarios).

### Customers' Rights and Interests

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction Ratio in Customer Satisfaction survey</td>
<td>%</td>
<td>88</td>
</tr>
<tr>
<td>Complaints about products and services</td>
<td>Number of cases</td>
<td>419</td>
</tr>
<tr>
<td>Complaint settlement ratio</td>
<td>%</td>
<td>100</td>
</tr>
</tbody>
</table>

### Supply Chain Management

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of suppliers</td>
<td>Number of suppliers</td>
<td>609</td>
</tr>
<tr>
<td>By region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese mainland</td>
<td>Number of suppliers</td>
<td>591</td>
</tr>
<tr>
<td>Hong Kong, Macao, Taiwan</td>
<td>Number of suppliers</td>
<td>5</td>
</tr>
<tr>
<td>Overseas</td>
<td>Number of suppliers</td>
<td>15</td>
</tr>
<tr>
<td>Number of new admitted suppliers having accepted sustainability impact assessment 1</td>
<td>Number of suppliers</td>
<td>145</td>
</tr>
<tr>
<td>Number of new suppliers selected from the sustainability dimensions 2</td>
<td>%</td>
<td>100</td>
</tr>
</tbody>
</table>

1. The data covers direct material suppliers under the Company's centralized management.

2. The "sustainability impact assessment" and "selection from the sustainability dimension" both cover the assessment on suppliers' sustainable development performance from environmental and social dimension.

### Supplier Training

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of trainings on supply chain</td>
<td>Number of events</td>
<td>16</td>
<td>21</td>
<td>51</td>
</tr>
<tr>
<td>Number of trainings on improving internal capacity</td>
<td>Number of events</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Number of suppliers participating in the trainings on improving internal capacity of the supply chain</td>
<td>Number of suppliers</td>
<td>58</td>
<td>56</td>
<td>36</td>
</tr>
<tr>
<td>Coverage of safety training for suppliers 1</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

1. According to data backtracking, the number of trainings on improving internal capacity of the supply chain organized in 2021 has been updated in this report.

2. The data covers the construction suppliers of the Company.
Due Diligence Management of Responsible Mineral Supply Chains

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of suppliers accepting due diligence audits of responsible mineral supply chains</td>
<td>Number of suppliers</td>
<td>31</td>
<td>50</td>
<td>57</td>
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</table>

Employment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of staff(1)</td>
<td>Person</td>
<td>33,078</td>
<td>83,601</td>
<td>118,914</td>
</tr>
<tr>
<td>By gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>%</td>
<td>21.80</td>
<td>22.99</td>
<td>23.49</td>
</tr>
<tr>
<td>Male</td>
<td>%</td>
<td>78.20</td>
<td>77.01</td>
<td>76.51</td>
</tr>
<tr>
<td>By age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 30 years old</td>
<td>%</td>
<td>58.48</td>
<td>53.63</td>
<td>49.96</td>
</tr>
<tr>
<td>30 to 50 years old</td>
<td>%</td>
<td>40.65</td>
<td>45.60</td>
<td>49.19</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>%</td>
<td>0.62</td>
<td>0.35</td>
<td>0.50</td>
</tr>
<tr>
<td>By academic qualifications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of employees with doctoral degree</td>
<td>%</td>
<td>0.44</td>
<td>0.23</td>
<td>0.24</td>
</tr>
<tr>
<td>Proportion of employees with master’s degree</td>
<td>%</td>
<td>6.57</td>
<td>5.75</td>
<td>3.70</td>
</tr>
<tr>
<td>Proportion of employees with bachelor’s degree</td>
<td>%</td>
<td>17.63</td>
<td>15.92</td>
<td>16.74</td>
</tr>
<tr>
<td>Proportion of employees with less than bachelor degree</td>
<td>%</td>
<td>75.22</td>
<td>81.00</td>
<td>78.77</td>
</tr>
</tbody>
</table>

\(1\) Some employees’ information on gender, age and academic qualification is confidential according to GDPR regulations, and, therefore, cannot be determined here. The sum of these proportions of employees divided by gender, age and position level in employment data section may not be equal to 100%, same below.

Equality and Diversity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Management diversity</td>
<td></td>
<td></td>
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<tr>
<td>By gender</td>
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<td></td>
</tr>
<tr>
<td>Female</td>
<td>%</td>
<td>16.67</td>
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<tr>
<td>Male</td>
<td>%</td>
<td>82.06</td>
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</table>

Employee Support

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times of Mutual Aid Fund Used</td>
<td>Times</td>
<td>69</td>
<td>97</td>
<td>164</td>
</tr>
<tr>
<td>Amount of Mutual Aid Fund Used</td>
<td>CNY 10,000</td>
<td>58.74</td>
<td>101.36</td>
<td>198.95</td>
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</tbody>
</table>

Employees’ Parental Leave

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees taking the parental leave(2)</td>
<td>Person</td>
<td>2,502</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>846</td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>1,654</td>
</tr>
</tbody>
</table>

\(2\) “STEM-related jobs” refer to the jobs related to science, technology, engineering and mathematics. The data this year mainly covers the Company’s technicians.

1 The “revenue-generating department” refers to the department that increases the Company’s operating income, distinguished from human resources, IT and other administration departments. The Company’s data this year mainly covers the sales force.

Hence, the sum of these proportions of employees divided by gender, age and position level in employment data section may not be equal to 100%, same below.
Employee Performance Assessment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of employees accepting regular performance and career development assessment</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>By gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>Male</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>By position level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior employees</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>Junior management</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>Middle management</td>
<td>%</td>
<td>100</td>
</tr>
<tr>
<td>Senior management</td>
<td>%</td>
<td>100</td>
</tr>
</tbody>
</table>

1 The proportion of the employees accepting regular performance and career development assessment divided by gender and position level = the number of employees accepting regular performance and career development assessment in this category / the number of employees in this category × 100%, same below.

Occupational Health and Safety

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of major safety accidents and environmental pollution events</td>
<td>Number of cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of safety drill activities</td>
<td>Times</td>
<td>295</td>
<td>5,124</td>
<td>4,652</td>
</tr>
<tr>
<td>Coverage of employee health and safety training</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Social Public Welfare

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment in social public welfare</td>
<td>CNY 10,000</td>
<td>16,595,69</td>
</tr>
<tr>
<td>Including: Charitable donation amount</td>
<td>CNY 10,000</td>
<td>17,450,10</td>
</tr>
<tr>
<td>Including: Rural revitalization investment</td>
<td>CNY 10,000</td>
<td>1,067,86</td>
</tr>
<tr>
<td>By investment sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education support</td>
<td>CNY 10,000</td>
<td>11,535,69</td>
</tr>
</tbody>
</table>

1 The training coverage of employees divided by gender and position level = Number of employees in this category accepting trainings / number of employees in this category × 100%, same below.

2 The average duration of trainings for employees divided by gender, age and position level = Duration of the training for employees in this category / number of employees in this category, same below.
In 2022, CATL increased investment in education support, emergency rescue and disaster relief (see Table Community Communication and Emergency Response), leading to the increase of total investment in social public welfare and charitable donation. In 2022, the Top 3 public welfare projects with the largest donation amount include: Donating CNY 110 million to the Jiaocheng Charity Federation, for the construction of Chunfengli Campus of Primary School Affiliated to Ningde Normal University, CNY 50 million to the Red Cross Society of Ningde for the construction of local Center for Disease Control and Prevention and to Xiadang Village in Shouning County of Ningde, for support to certain areas, and CNY 7,722.6 million to support the development of local characteristic industries.

2 The data covers the charitable donation with the donation invoice produced by the government department of finance.

3 CATL’s investment in rural revitalization is not included in industrial investment since 2022.

Volunteer Service

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of volunteer activities organized</td>
<td>Number of events</td>
<td>129</td>
<td>290</td>
<td>799</td>
</tr>
<tr>
<td>Number of volunteers participating in the activities</td>
<td>Person-time</td>
<td>5,919</td>
<td>12,175</td>
<td>12,893</td>
</tr>
</tbody>
</table>

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<td>Article 22</td>
<td>Product Quality and Customer Service Management</td>
</tr>
<tr>
<td>Article 23</td>
<td>Business Ethics</td>
</tr>
<tr>
<td>Article 24</td>
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<td>Information Security and Privacy Protection</td>
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Article 27 | Environmental Management System
Article 28 | Environmental Management System
Article 29 | Resource Management and Environmental Management System
Article 30 | Environmental Management System
Article 31 | Environmental Management System
Article 32 | Creating Social Value Together
Article 33 | Our Focus 2022: Transforming Growth through Advanced Technology
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9.3 Social Responsibility: Strategic Planning and Mechanisms | Sustainable Development Strategies
9.4 Social responsibility system | About this Report
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9.4 (2) | Product Quality and Customer Service Management
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9.5 Giving back to shareholders | Creating Social Value Together
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9.7 Protection of employee rights | Employee Rights and Benefits
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9.12 Other environmental protection responsibilities | Environmental Management System
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9.15 Management of pollutant emissions | Environmental Management System
9.16 Waste treatment and disposal, recycling of waste products for comprehensive use | Environmental Management System
9.17 Other voluntary disclosures | Not applicable
9.18 Rewards by environmental authorities | Our Focus 2022: Powering Green Ecosystem
9.19 Other voluntary disclosures | Our Focus 2022: Transforming Growth through Advanced Technology
CATL has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022.

GRI 1 used
GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)
No industry standards in use

GRI Standards Index

Statement of use
CATL has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022.

GRI 1 used
GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)
No industry standards in use

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<tr>
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<td>GRI 2</td>
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<td>2-5 Reporting period, frequency and contact point</td>
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<td>9.13: (2) Occupational hazards and safety measures</td>
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<td>Our Focus 2022: Powering Green Ecosystem, Transformation through Advanced Technology, Green R&amp;D and Innovation</td>
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<tr>
<td>9.15 Supervision and inspection</td>
<td>Materiality Assessment</td>
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<td></td>
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</table>

GRI 2: General Disclosures 2021

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<tr>
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<td>2-6 Activities, value chain and other business relationships</td>
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<td>Corporate Governance</td>
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<td>Corporate Governance (Please refer to the Company's 2022 Annual report for details)</td>
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<td>2-15 Delegation of responsibility for managing impacts</td>
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<td>2-15 Conflicts of interest</td>
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<td>-----------------------------</td>
<td>------------</td>
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<tr>
<td>2-18 Evaluation of the performance of the highest governance body</td>
<td>2-18-b 2-18-c</td>
<td>Confidentiality constraints</td>
<td>Omitted due to confidentiality of information</td>
</tr>
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<td>2-19 Remuneration policies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-20 Process to determine remuneration</td>
<td></td>
<td></td>
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<tr>
<td>2-21 Annual total compensation rate</td>
<td>2-21-a 2-21-b 2-21-c</td>
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<td>Omitted due to confidentiality of information</td>
</tr>
<tr>
<td>2-22 Statement on sustainable development strategy</td>
<td>Message from the Chairman</td>
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</tr>
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<td>2-26 Mechanisms for seeking advice and raising concerns</td>
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<td></td>
<td></td>
</tr>
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<td>2-27 Compliance with laws and regulations</td>
<td>Please see the individual sections of the report for details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-28 Membership associations</td>
<td>Please see the individual sections of the report for details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-29 Approach to stakeholder engagement</td>
<td>Materiality Assessment</td>
<td></td>
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</tr>
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<td>2-30 Collective bargaining agreements</td>
<td>2-30-a 2-30-b</td>
<td>Confidentiality constraints</td>
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<table>
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<tr>
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<th>Disclosure</th>
<th>Location</th>
<th>Omission</th>
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<td>201-1 Direct economic value generated and distributed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>201-2 Financial implications and other risks and opportunities due to climate change</td>
<td>201-2-a-ii 201-2-a-iii 201-2-a-iv</td>
<td>Confidentiality constraints</td>
<td>Due to internal confidentiality considerations, the quantified financial impacts of climate-related risks and opportunities, as well as the costs of corresponding actions to be taken, are withheld from public disclosure.</td>
</tr>
<tr>
<td>201-3 Defined benefit plan obligations and other retirement plans</td>
<td></td>
<td></td>
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<tr>
<td>201-4 Financial assistance received from government</td>
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<tbody>
<tr>
<td>3-1 Process to determine material topics</td>
<td>Materiality Assessment</td>
<td></td>
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<tr>
<td>3-2 List of material topics</td>
<td>Materiality Assessment</td>
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<tr>
<td>201-5 Defined benefit plan obligations and other retirement plans</td>
<td>Employee Rights and Benefits</td>
<td>201-5-a 201-5-b 201-5-c 201-5-d</td>
<td>Information unavailable</td>
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<tr>
<td>201-4 Financial assistance received from government</td>
<td></td>
<td>201-4-a 201-4-b 201-4-c</td>
<td>Information unavailable</td>
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<td>3-3 Management of material topics</td>
<td>Materiality Assessment 3-3 Management of material topics</td>
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<tr>
<td>201-5 Infrastructure investments and services supported</td>
<td>Creating Social Value Together</td>
<td></td>
<td></td>
</tr>
<tr>
<td>201-2 Significant indirect economic impacts</td>
<td>Creating Social Value Together</td>
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### GRI Standard / Other Source

<table>
<thead>
<tr>
<th>Standard</th>
<th>Material Topics 2021</th>
<th>Disclosure</th>
<th>Location</th>
<th>Requirement(s) Omitted</th>
<th>Reason</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 3:</td>
<td>Management of material topics</td>
<td>Materiality Assessment Reinforcing Supply Chain Quality Building a Responsible Supply Chain</td>
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<tr>
<td>GRI 204:</td>
<td>Procurement Practices 2016</td>
<td>Materiality Assessment</td>
<td></td>
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<tr>
<td>GRI 3:</td>
<td>Energy 2016</td>
<td></td>
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<tr>
<td>GRI 3:</td>
<td>Anti-corruption 2016</td>
<td></td>
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<tr>
<td>GRI 3:</td>
<td>Anticompetitive Behavior 2016</td>
<td></td>
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<tr>
<td>GRI 5:</td>
<td>Energy 2022</td>
<td></td>
<td></td>
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<tr>
<td>GRI 5:</td>
<td>Water and Effluents 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>GRI 3:</td>
<td>Management of material topics</td>
<td>Materiality Assessment Responding to Climate Change Green Production</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>GRI 302:</td>
<td>Energy consumption within the organization</td>
<td>ESG Quantitative Performance Table</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 302:</td>
<td>Water and Effluents management of material topics</td>
<td></td>
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### Omission

<table>
<thead>
<tr>
<th>GRI Standard / Other Source</th>
<th>Disclosure</th>
<th>Location</th>
<th>Requirement(s) Omitted</th>
<th>Reason</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 302-2 Energy consumption outside of the organization</td>
<td>Omission</td>
<td>302-2-a 302-2-b 302-2-c</td>
<td>Information unavailable</td>
<td>Due to the number of business relationships and value chain segments involved, it costs too much to accurately quantify the actual external energy consumption.</td>
<td></td>
</tr>
<tr>
<td>GRI 302-3 Energy intensity</td>
<td>ESG Quantitative Performance Table</td>
<td>302-3-a 302-3-b 302-3-c</td>
<td>Information unavailable</td>
<td>The flow and usage scenarios of the Company’s main products and services are rather complex, making it difficult to accurately quantify the reductions in energy requirements at the use stage. During the reporting period, the Company developed and provided green products and services aiming at reducing energy consumption at the use stage.</td>
<td></td>
</tr>
<tr>
<td>GRI 302-4 Reduction of energy consumption</td>
<td></td>
<td>302-4-a 302-4-b 302-4-c</td>
<td>Information unavailable</td>
<td>Due to the number of business relationships and value chain segments involved, it costs too much to accurately quantify the actual external energy consumption.</td>
<td></td>
</tr>
<tr>
<td>GRI 302-5 Reductions in energy requirements of products and services</td>
<td>Omission</td>
<td>302-5-a 302-5-b 302-5-c</td>
<td>Information unavailable</td>
<td>Due to the number of business relationships and value chain segments involved, it costs too much to accurately quantify the actual external energy consumption.</td>
<td></td>
</tr>
</tbody>
</table>

#### Additional Note

The following sections are omitted due to the confidentiality of the information:
- GRI 302-1 Energy consumption for each type of energy source will not be disclosed at this time.
- The Company’s operations do not include the sale of energy generated from internal sources.

---

**Note:** The table above provides a summary of the GRI standard requirements and the corresponding disclosures, explanations, and omitted criteria for the relevant topics and sources.
### GRI 303: Water and Effluents 2018

<table>
<thead>
<tr>
<th>Requirement(s)</th>
<th>Omission</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>303-1 Interactions with water as a shared resource</td>
<td>Omitted</td>
<td>Resource Management Management of Pollutant Discharge and Environmental Management. The main organizations within the Company’s value chain do not involve significant impact on water resources, therefore the Company has not yet collaborated with suppliers or customers to manage the impact related to water resources. Additionally, the Company has not established publicly available goals related to water resources.</td>
</tr>
<tr>
<td>303-2 Management of water discharge-related impacts</td>
<td>Omitted</td>
<td>Management of Pollutant Discharge and Environmental Management.</td>
</tr>
<tr>
<td>303-3 Water withdrawal</td>
<td>Information incomplete</td>
<td>Currently, the Company only records the total water withdrawal. The amount of water withdrawal categorized by source (freshwater or other sources), and the amount of water withdrawn in areas with water stress have not yet been accurately quantified.</td>
</tr>
<tr>
<td>303-4 Water discharge</td>
<td>Information unavailable</td>
<td>The total water discharge has not yet been quantified.</td>
</tr>
<tr>
<td>303-5 Water consumption</td>
<td>Information unavailable</td>
<td>The total water consumption has not yet been quantified.</td>
</tr>
</tbody>
</table>

### GRI 305: Emissions 2016

<table>
<thead>
<tr>
<th>Requirement(s)</th>
<th>Omission</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>ESG Quantitative Performance table</td>
<td>Currently, the Company only quantifies CO₂ emissions, so the selection of GWP is not applicable. The Company does not involve any biogenic CO₂ emissions during the reporting period. The Company has provisionally set the verified emissions in 2021 as the baseline year data. During the reporting period, there were no significant changes that exceeded the recalibration threshold compared to the baseline year data. The Company uses the operational control method to calculate the production bases of all subsidiaries that produce battery products. The Company has further expanded the scope of GHG accounting.</td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>ESG Quantitative Performance table</td>
<td>The information about types of gases involved, biogenic emissions, baseline year, GWP selection, and consolidation methods are the same as those in 305-1.</td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>Omission</td>
<td>The business relationships and value chain involved information are highly complex, making Scope 3 emissions difficult to be quantified comprehensively. The Company has already identified some material Scope 3 emission categories and has calculated and verified such Scope 3 emissions in specific sites. Further information will be disclosed once the verification statement from third party has been obtained.</td>
</tr>
<tr>
<td>GRI Standard / Other Source</td>
<td>Disclosure</td>
<td>Location</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------</td>
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</tr>
<tr>
<td><strong>GRI 305: Emissions 2016</strong></td>
<td><strong>305-4 GHH emissions intensity</strong></td>
<td>ESG Quantitative Performance Table</td>
</tr>
<tr>
<td><strong>305-5 Reduction of GHG emissions</strong></td>
<td><strong>Green Production</strong></td>
<td></td>
</tr>
<tr>
<td><strong>305-6 Emissions of ozone-depleting substances (ODS)</strong></td>
<td>Management of Pollutant Discharge and Environmental ESG Quantitative Performance Table</td>
<td></td>
</tr>
<tr>
<td><strong>305-7 Nitrogen oxides (NOₓ), sulfur oxides (SOₓ), and other significant emissions</strong></td>
<td>Management of Pollutant Discharge and Environmental ESG Quantitative Performance Table</td>
<td></td>
</tr>
</tbody>
</table>

**Waste**

<table>
<thead>
<tr>
<th>GRI Standard / Other Source</th>
<th>Disclosure</th>
<th>Location</th>
<th>Omission</th>
<th>Requirement(s) Omitted</th>
<th>Reason</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI 306: Waste 2020</strong></td>
<td><strong>306-2 Management of significant waste-related impacts</strong></td>
<td>ESG Quantitative Performance Table</td>
<td></td>
<td>306-2</td>
<td></td>
<td>Management of Pollutant Discharge and Environmental ESG Quantitative Performance Table.</td>
</tr>
<tr>
<td><strong>306-3 Waste generation and significant waste-related impacts</strong></td>
<td>Environmental Management System</td>
<td></td>
<td></td>
<td><strong>Omission</strong></td>
<td>306-3-a</td>
<td></td>
</tr>
<tr>
<td><strong>306-4 Waste diverted from disposal</strong></td>
<td><strong>Omission</strong></td>
<td><strong>Information unavailable</strong></td>
<td></td>
<td>306-4-b</td>
<td></td>
<td>The detailed data of hazardous waste diverted from disposal breakdown has not yet been quantified.</td>
</tr>
</tbody>
</table>

*The table is a summary of the material topics and their relevant GRI standards and requirements for the year 2020, focusing on emissions and waste management.*
Overview of CATL

Sustainable Development

Governance

Corporate Governance

Products and Services

Environmental Protection

Sustainable Supply Chain

Adding to the Quality of the Workforce

Contribution to Community

2022 Environmental, Social and Governance (ESG) Report

GRI Standard

Disclosure

Location

Omission

Requirement(s) Omitted

Reason

Explanation

GRI 306: Waste 2020

506-5 Waste directed to disposal

ESG Quantitative PerformanceTable

All solid waste generated by the Company and directed to disposal are disposed off-site by third-party vendors.

506-5-b-iii 506-5-c-iii

Information unavailable

The amount of non-hazardous industrial solid waste and hazardous waste disposed by incineration has been disclosed, whereas the breakdown of which by being incinerated with/without energy recovery is rather difficult to trace.

Supplier Environmental Assessment

GRI 3: Material Topics 2021

5-3 Management of material topics

Materiality Assessment
Building a Responsible Supply Chain

GRI 308: Supplier Environmental Assessment 2016

508-1 New suppliers that were screened using environmental criteria

ESG Quantitative PerformanceTable


GRI 308-2 Negative environmental impacts in the supply chain and actions taken

Building a Responsible Supply Chain

ESG Quantitative PerformanceTable

508-2-b 508-2-c 508-2-d 508-2-e

Confidentiality constraints

Withdrawn from public disclosure due to the confidentiality of information

Employment

GRI 3: Material Topics 2021

5-3 Management of material topics

Materiality Assessment
Employee Rights and Benefits

Talent Acquisition and Development

GRI 401: Employment 2016

401-1 New employee hires and employee turnover

ESG Quantitative PerformanceTable

401-1-b

Confidentiality constraints

Withdrawn from public disclosure due to the confidentiality of information

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Employee Rights and Benefits

401-2

401-3 Parental leave

Employee Rights and Benefits

ESG Quantitative PerformanceTable

GRI 403: Occupational Health and Safety 2016

403-1 Occupational health and safety management system


403-2 Hazard identification, risk assessment, and incident investigation


403-3 Occupational health services


403-4 Worker participation, consultation, and communication on occupational health and safety


403-5 Worker training on occupational health and safety


Labor/Management Relations

GRI 3: Material Topics 2021

5-3 Management of material topics

Materiality Assessment
Employee Rights and Benefits

Material Assessment
Occupational Health and Safety

Unless otherwise specified, the information disclosed by the Company regarding Occupational Health and Safety issues only pertains to employees who have an employment relationship with the Company.

GRI 402: Labor/Management Relations 2016

402-1 Minimum notice periods regarding operational changes

Omission

402-1-a 402-1-b

Information unavailable

This information is not yet available and cannot be fully disclosed.

Occupational Health and Safety

GRI 3: Material Topics 2021

5-3 Management of material topics

Materiality Assessment
Employee Rights and Benefits

Talent Acquisition and Development

Occupational Health and Safety

Unless otherwise specified, the information disclosed by the Company regarding Occupational Health and Safety issues only pertains to employees who have an employment relationship with the Company.

GRI 403: Occupational Health and Safety 2016

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403-3 Occupational health services


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403-5 Worker training on occupational health and safety


Labor/Management Relations

GRI 3: Material Topics 2021

5-3 Management of material topics

Materiality Assessment
Employee Rights and Benefits

Material Assessment
Occupational Health and Safety

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<td>ESG Quantitative Performance Table</td>
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<td>406-1 Incidents of discrimination and corrective actions taken</td>
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<td>GRI 408: Child Labor 2016</td>
<td>408-1 Operations and suppliers at significant risk for incidents of child labor</td>
<td>Employee Rights and Benefits Building a Responsible Supply Chain</td>
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<td>5-5 Management of material topics</td>
<td>Materiality Assessment Employee Rights and Benefits</td>
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<td>404-2 Programs for upgrading employee skills and transition assistance programs</td>
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<td>5-5 Management of material topics</td>
<td>Materiality Assessment Employee Rights and Benefits</td>
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<td>Disclosure</td>
<td>Location</td>
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<td>-----------------------------</td>
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</tr>
<tr>
<td>GRI 409 Forced or Compulsory Labor 2016</td>
<td>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>Employee Rights and Benefits Building a Responsible Supply Chain</td>
</tr>
<tr>
<td>GRI 413 Local Communities 2016</td>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
<td>Environmental Management System Resource Management Management of Pollutant Discharge and Environmental Creating Social Value Together ESG Quantitative Performance Table</td>
</tr>
<tr>
<td>GRI 416 Customer Health and Safety 2016</td>
<td>416-1 Assessment of the health and safety impacts of product and service categories</td>
<td>The Company has comprehensive product inspection capabilities and conducts preventive testing for potential quality issues at each stage to ensure product quality.</td>
</tr>
<tr>
<td>GRI 418 Customer Privacy 2016</td>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>Information security and privacy protection</td>
</tr>
</tbody>
</table>
To assist stakeholders in better understanding the information disclosed in this Report, the following table explains the abbreviations of importance appearing in this Report in alphabetical order.

<table>
<thead>
<tr>
<th>Abbreviations</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>Automated Guided Vehicle</td>
</tr>
<tr>
<td>APQP</td>
<td>Advanced Product Quality Planning</td>
</tr>
<tr>
<td>ARF</td>
<td>Activation Resonance Fuel Energy Saving Appliance</td>
</tr>
<tr>
<td>BAM</td>
<td>Bundesanstalt für Materialforschung und -prüfung</td>
</tr>
<tr>
<td>BEV</td>
<td>Battery Electric Vehicle</td>
</tr>
<tr>
<td>BMS</td>
<td>Battery Management System</td>
</tr>
<tr>
<td>CARE</td>
<td>Cohesion, Action, Respect &amp; Empathy</td>
</tr>
<tr>
<td>CAHRA</td>
<td>Conflict-Affected and High-Risk Areas</td>
</tr>
<tr>
<td>CBAM</td>
<td>Carbon Border Adjustment Mechanism</td>
</tr>
<tr>
<td>CCMC</td>
<td>China Chamber of Commerce of Metals, Minerals &amp; Chemicals Importers &amp; Exporters</td>
</tr>
<tr>
<td>CIP</td>
<td>Cell to Pack</td>
</tr>
<tr>
<td>CMS</td>
<td>CATL Facility Management System</td>
</tr>
<tr>
<td>CHAS</td>
<td>China National Accreditation Service for Conformity Assessment</td>
</tr>
<tr>
<td>COD</td>
<td>Chemical Oxygen Demand</td>
</tr>
<tr>
<td>COP27</td>
<td>The 27th Conference of the Parties to the UNFCCC</td>
</tr>
<tr>
<td>CREDIT</td>
<td>Carbon Footprint, Recycling, Energy, Due Diligence, Innovation &amp; Transparency</td>
</tr>
<tr>
<td>CSA</td>
<td>Corporate Sustainability Assessment</td>
</tr>
<tr>
<td>DI</td>
<td>Deionization</td>
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<tr>
<td>DPI</td>
<td>Deep Packet Inspection</td>
</tr>
<tr>
<td>DPM</td>
<td>Digital Performance Management</td>
</tr>
</tbody>
</table>
### Abbreviations and Explanation

**E**  
EAP: Employee Assistance Program  
ECR: Error Cause Remove  
EDS: Electro-deionization  
EMS: Environment, Health & Safety  
ELV: End-of-Life Vehicle (L0005/58EC)  
EDIS: Engineering Data Intelligent System  
EHS: Environment, Health & Safety  
EDIS: Engineering Data Intelligent System  
EPD: Environmental Product Declaration  
E.

**F**  
FA: Failure Analysis  
FIS: Factory Information System  
FMEA: Failure Mode and Effects Analysis  
F.

**G**  
GBA: Global Battery Alliance  
GDPR: General Data Protection Regulation (REGULATION (EU) 2016/67)  
GLN: Global Lighthouse Network  
GRI: Global Reporting Initiative  
GSS: Global Service System  
G.

**H**  
HDPE: High Density Polyethylene  
HEV: Hybrid Electric Vehicle  
I.

**I**  
IATF 16949:2016  
ISO 37801:2016  
ISO 14001:2015  
ISO 14044:2006  
ISO 14064-1:2018  
ISO 14067:2018  
IP: Intellectual Property  
IPD: Integrated Product Development  
I-Rec: International Renewable Energy Certificate  
K.

**L**  
LCA: Life Cycle Assessment  
L.

**M**  
MES: Manufacturing Execution System  
N.

**N**  
NH3-N: Ammoniacal Nitrogen  
NMHC: Non-Methane Hydrocarbon  
NMP: N-Methylpyrrolidone  
O.

**O**  
OECD: Organization for Economic Co-operation and Development  
P.

**P**  
PAS 2060:2014  
PPAP: Production Part Approval Process  
PHEV: Plug-in Hybrid Electric Vehicle  
PM: Particulate Matter  
PAS 2060:2014 - Specification for the demonstration of carbon neutrality  
PQ: Project Quality System  
PAS 2060:2014 - Specification for the demonstration of carbon neutrality  
P.

**Q**  
QC: Quality Control  
QCC: Quality Control Circle  
QFD: Quality Function Deployment  
R.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCI</td>
<td>Responsible Cobalt Initiative</td>
</tr>
<tr>
<td>RCO</td>
<td>Regenerative Catalytic Oxidizer</td>
</tr>
<tr>
<td>REACH</td>
<td>Registration, Evaluation, Authorisation and Restriction of Chemicals (REGULATION (EC) No 1907/2006)</td>
</tr>
<tr>
<td>RTD</td>
<td>Regenerative Thermal Oxidizer</td>
</tr>
<tr>
<td>SOSs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SPC</td>
<td>Statistical Process Control</td>
</tr>
<tr>
<td>SS</td>
<td>Suspended Solid</td>
</tr>
<tr>
<td>T</td>
<td></td>
</tr>
<tr>
<td>TCFD</td>
<td>Task Force on Climate-related Financial Disclosures</td>
</tr>
<tr>
<td>TISAX</td>
<td>Trusted Information Security Assessment Exchange</td>
</tr>
<tr>
<td>TO</td>
<td>Thermal Oxidizer</td>
</tr>
<tr>
<td>V</td>
<td></td>
</tr>
<tr>
<td>VOCs</td>
<td>Volatile Organic Compounds</td>
</tr>
<tr>
<td>VR</td>
<td>Virtual Reality</td>
</tr>
<tr>
<td>W</td>
<td></td>
</tr>
<tr>
<td>WEF</td>
<td>World Economic Forum</td>
</tr>
<tr>
<td>*</td>
<td>8 Disciplines</td>
</tr>
</tbody>
</table>

### Appendix 2: Comparison table of company names and abbreviations

<table>
<thead>
<tr>
<th>Full name of the company and subsidiaries</th>
<th>Abbreviations in the report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contemporary Amperex Technology Co., Limited</td>
<td>CATL*</td>
</tr>
<tr>
<td>Qinghai Contemporary Amperex Technology Limited</td>
<td>CATL-QH</td>
</tr>
<tr>
<td>Jiangsu Contemporary Amperex Technology Limited</td>
<td>CATL-JS</td>
</tr>
<tr>
<td>United Auto Battery Co., Ltd.</td>
<td>UABC</td>
</tr>
<tr>
<td>Dongfeng Amperex (Wuhan) Battery System Co., Ltd.</td>
<td>DABS</td>
</tr>
<tr>
<td>CATL-FAW Auto Battery Co., Ltd.</td>
<td>CFBC</td>
</tr>
<tr>
<td>CATL-GAC EV Battery Co., Limited</td>
<td>CGBC</td>
</tr>
<tr>
<td>Sichuan Contemporary Amperex Technology Limited</td>
<td>CATL-SC</td>
</tr>
<tr>
<td>Xinjin Contemporary Amperex Technology Limited</td>
<td>CATL-JX</td>
</tr>
<tr>
<td>Ruian Contemporary Amperex Technology (Shanghai) Limited</td>
<td>CATL-RT</td>
</tr>
<tr>
<td>Contemporary Amperex Technology Thuringia GmbH</td>
<td>CATT</td>
</tr>
<tr>
<td>CATL-GEELY EV Battery Co., Limited</td>
<td>GSC</td>
</tr>
<tr>
<td>Fuling Contemporary Amperex Technology Limited</td>
<td>CATL-FD</td>
</tr>
<tr>
<td>Jiacheng Contemporary Amperex Technology Limited</td>
<td>CATL-JC</td>
</tr>
<tr>
<td>Ruian Contemporary Amperex Technology Limited</td>
<td>CATL-RG</td>
</tr>
<tr>
<td>Guangdong Brunp Recycling Technology Co., Ltd.</td>
<td>Guangdong Brunp</td>
</tr>
<tr>
<td>Hunan Brunp Recycling Technology Co., Ltd.</td>
<td>Hunan Brunp</td>
</tr>
<tr>
<td>LONGYAN SICONG Advanced Materials Technology Limited</td>
<td>LONGYAN SICONG</td>
</tr>
<tr>
<td>CATL-SICONG Advanced Materials Technology Limited</td>
<td>CATL-SICONG</td>
</tr>
</tbody>
</table>

*In order to distinguish the main body of the report from the CATL factory of CATL, the term "CATL*" is used in the text to refer to the CATL factory of CATL, including the three sites in HD, HX and Z.*
## Appendix 3: Details about Pollutants from Discharge and Emissions and Environmental Protection Administrative License of Major Entities under Environmental Regulation in 2022

According to the relevant regulations of the CSRC (China Securities Regulatory Commission), the Shenzhen Stock Exchange and the Ministry of Ecology and Environment of the People’s Republic of China, CATL discloses the detailed information about pollutants from wastewater discharge and exhaust gas emissions, and ecological environment administrative license of relevant Company and its subsidiaries listed as the major entities under environmental regulation by local eco-environment management agencies, as shown in the following table.

### Details about Pollutants from Discharge and Emissions in 2022

<table>
<thead>
<tr>
<th>Name of Company or subsidiary</th>
<th>Category of major and specific pollutants</th>
<th>Name of major and specific pollutants</th>
<th>Discharge/Emission pattern</th>
<th>Number of outlets</th>
<th>Average concentration</th>
<th>Discharge/Emission standards</th>
<th>Annual total emissions</th>
<th>Approved annual total emissions</th>
<th>Excessive discharge/emission</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATL*</td>
<td>Water pollutants</td>
<td>Chemical oxygen demand (COD)</td>
<td>Indirect discharge</td>
<td>3</td>
<td>42 mg/L</td>
<td>150 mg/L, the standard of indirect discharge amount in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013)</td>
<td>6.714 tonnes/year</td>
<td>16.42 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Water pollutants</td>
<td>Ammonia nitrogen (NH3-N)</td>
<td>Indirect discharge</td>
<td>3</td>
<td>1.35 mg/L</td>
<td>30 mg/L, the standard of indirect discharge amount in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013)</td>
<td>0.671 tonnes/year</td>
<td>2.2 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Air pollutants</td>
<td>Nitrogen oxides (NOx)</td>
<td>Organized emission</td>
<td>28</td>
<td>66 mg/m³</td>
<td>200 mg/m³, the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)</td>
<td>109.618 tonnes/year</td>
<td>232.23 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Air pollutants</td>
<td>Sulphur dioxide (SO2)</td>
<td>Organized emission</td>
<td>28</td>
<td>3 mg/m³</td>
<td>50 mg/m³, the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)</td>
<td>2.752 tonnes/year</td>
<td>39.25 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Water pollutants</td>
<td>Chemical oxygen demand (COD)</td>
<td>Indirect discharge</td>
<td>2</td>
<td>105 mg/L</td>
<td>500 mg/L, grade 5 in the Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996)</td>
<td>35.559 tonnes/year</td>
<td>120.21 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Water pollutants</td>
<td>Ammonia nitrogen (NH3-N)</td>
<td>Indirect discharge</td>
<td>2</td>
<td>5.55 mg/L</td>
<td>45 mg/L, grade B in the Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers</td>
<td>2.856 tonnes/year</td>
<td>22.30 tonnes/year</td>
<td>None</td>
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<tr>
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<td>Air pollutants</td>
<td>Nitrogen oxides (NOx)</td>
<td>Organized emission</td>
<td>1</td>
<td>26 mg/m³</td>
<td>240 mg/m³, grade 2 in the Table 2 of the Integrated Emission Standard of Air Pollutants (GB 16297-1996)</td>
<td>2.695 tonnes/year</td>
<td>4.45 tonnes/year</td>
<td>None</td>
</tr>
<tr>
<td>Name of Company or subsidiary</td>
<td>Category of major and specific pollutants</td>
<td>Name of major and specific pollutants</td>
<td>Discharge/Emission pattern</td>
<td>Number of outlets</td>
<td>Distribution of outlets</td>
<td>Average concentration</td>
<td>Discharge/Emission standards</td>
<td>Annual total emissions</td>
<td>Approved annual total emissions</td>
</tr>
<tr>
<td>------------------------------</td>
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<td>-------------------------------</td>
</tr>
<tr>
<td>Hunan Brunp</td>
<td>Air pollutants</td>
<td>Sulphur dioxide (SO₂)</td>
<td>Organized emission</td>
<td>1</td>
<td>Hunan Brunp, Ningxiang Production Base</td>
<td>3 mg/m³</td>
<td>≤50 mg/m³, grade 2 in the Table 4 of the Emission Standard of Air Pollutants from Industrial Air and Furnace (GB 16297-1996)</td>
<td>0.558 tonnes/year</td>
<td>3.81 tonnes/year</td>
</tr>
<tr>
<td>Guangdong Brunp</td>
<td>Water pollutants</td>
<td>Chemical oxygen demand (COD)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>Guangdong Brunp, Foshan Production Base</td>
<td>35 mg/L</td>
<td>≤50 mg/L, the standard of direct discharge amount in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)</td>
<td>0.728 tonnes/year</td>
<td>1.07 tonnes/year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ammonia nitrogen (NH₃-N)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>Guangdong Brunp, Foshan Production Base</td>
<td>2.12 mg/L</td>
<td>≤10 mg/L, the standard of direct discharge amount in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)</td>
<td>0.044 tonnes/year</td>
<td>0.21 tonnes/year</td>
</tr>
<tr>
<td>LONGYAN SICONG</td>
<td>Water pollutants</td>
<td>Chemical oxygen demand (COD)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>LONGYAN SICONG, Longyan Production Base</td>
<td>107 mg/L</td>
<td>≤50 mg/L, grade B in the Table 1 of Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)</td>
<td>0.176 tonnes/year</td>
<td>0.34 tonnes/year</td>
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<tr>
<td></td>
<td></td>
<td>Ammonia nitrogen (NH₃-N)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>LONGYAN SICONG, Longyan Production Base</td>
<td>11.05 mg/L</td>
<td>≤45 mg/L, grade B in the Table 1 of Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)</td>
<td>0.036 tonnes/year</td>
<td>0.024 tonnes/year</td>
</tr>
<tr>
<td>CATL-SICONG</td>
<td>Water pollutants</td>
<td>Chemical oxygen demand (COD)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>CATL-SICONG, Longyan Production Base</td>
<td>30 mg/L</td>
<td>≤200 mg/L, the standard in Table 1 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)</td>
<td>0.146 tonnes/year</td>
<td>6.651 tonnes/year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ammonia nitrogen (NH₃-N)</td>
<td>Indirect discharge</td>
<td>1</td>
<td>CATL-SICONG, Longyan Production Base</td>
<td>0.54 mg/L</td>
<td>≤40 mg/L, the standard in Table 1 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)</td>
<td>0.005 tonnes/year</td>
<td>0.683 tonnes/year</td>
</tr>
<tr>
<td></td>
<td>Air pollutants</td>
<td>Nitrogen oxides (NOₓ)</td>
<td>Organized emission</td>
<td>1</td>
<td>CATL-SICONG, Longyan Production Base</td>
<td>26 mg/m³</td>
<td>≤200 mg/m³, the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)</td>
<td>1.035 tonnes/year</td>
<td>16.506 tonnes/year</td>
</tr>
<tr>
<td></td>
<td>Air pollutants</td>
<td>Sulphur dioxide (SO₂)</td>
<td>Organized emission</td>
<td>1</td>
<td>CATL-SICONG, Longyan Production Base</td>
<td>3 mg/m³</td>
<td>≤50 mg/m³, the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)</td>
<td>0.065 tonnes/year</td>
<td>118 tonnes/year</td>
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</tbody>
</table>
### Details about Environmental Protection Administrative License in 2022

<table>
<thead>
<tr>
<th>Name of Company or subsidiary</th>
<th>No. of License</th>
<th>Contents approved</th>
<th>Acquisition Time</th>
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<tr>
<td>CATL*</td>
<td></td>
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<tr>
<td>Ning Dong Huan Ping [2022]No.3</td>
<td>Environmental Impact Form for CATL* HK Base Lithium-ion Battery Production Expansion Project (Phase IV)</td>
<td>April 21, 2022</td>
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<tr>
<td>Min Huan Fu Ping [2022]No.3</td>
<td>Environmental Impact Form for Relocation of 5 Industrial CT Machines</td>
<td>January 11, 2022</td>
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<tr>
<td>Min Huan Fu Ping [2022]No.18</td>
<td>Environmental Impact Form for CATL* HK Base Project about 1MBF Equipment</td>
<td>April 19, 2022</td>
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</tr>
<tr>
<td>Min Huan Fu Zheng [00330]</td>
<td>Extension of Radiation Safety Permit</td>
<td>October 11, 2022</td>
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<tr>
<td>9155009068752786p004U</td>
<td>Sewage Discharge License for CATL* HD Base</td>
<td>September 14, 2022</td>
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<tr>
<td>9155009068752786p005U</td>
<td>Sewage Discharge License for CATL* HK Base</td>
<td>September 14, 2022</td>
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<tr>
<td>9155009068752786p006U</td>
<td>Sewage Discharge License for CATL* HX Base</td>
<td>January 27, 2022</td>
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<tr>
<td>Chang Huan Ping (Ningxiang) [2022]No.38</td>
<td>Environmental Impact Report for Sodium Cathode Pilot Project</td>
<td>April 2, 2022</td>
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<tr>
<td>Chang Huan Ping (Ningxiang) [2022]No.55</td>
<td>Environmental Impact Report for Lithium Carbonate Conversion and Expansion Project (BAO Major Change)</td>
<td>June 13, 2022</td>
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<td>Chang Huan Ping (Ningxiang) [2022]No.106</td>
<td>Environmental Impact Report for Quality Improvement Project at Base No.1</td>
<td>November 4, 2022</td>
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<tr>
<td>Guangdong Brunp</td>
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<tr>
<td>Foshan San Fu [2022]No.39</td>
<td>Environmental Impact Report for the Pilot Laboratory Relocation and Expansion Project</td>
<td>April 26, 2022</td>
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<tr>
<td>Foshan San Fu [2022]No.44</td>
<td>Environmental Impact Report for the New R&amp;D Base Project</td>
<td>May 7, 2022</td>
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</tr>
<tr>
<td>Foshan San Fu [2022]No.60</td>
<td>Environmental Impact Form for the High Nickel EV Battery Cathode Material Industry-related Project</td>
<td>July 14, 2022</td>
<td></td>
</tr>
<tr>
<td>Foshan San Fu [2022]No.80</td>
<td>Environmental Impact Report for Brunp's Global R&amp;D Centre and Innovation Headquarters Construction Project</td>
<td>October 14, 2022</td>
<td></td>
</tr>
<tr>
<td>9446600768293565002W</td>
<td>Registration Receipt for Stationary Source at R&amp;D Base</td>
<td>May 16, 2022</td>
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<tr>
<td>9446600768293565003W</td>
<td>Registration Receipt for Stationary Source at Project (Phase II)</td>
<td>August 8, 2022</td>
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<tr>
<td>LONGYAN SICONG</td>
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<td></td>
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</tr>
<tr>
<td>No License applied in 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CATL-SICONG</td>
<td></td>
<td></td>
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<tr>
<td>Long Han Shen [2022]No.534</td>
<td>Environmental Impact Report for Lithium Salt Precursor Pilot Production Project</td>
<td>December 15, 2022</td>
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<tr>
<td>915500623049300482T</td>
<td>Sewage Discharge Permit</td>
<td>January 26, 2022</td>
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</tr>
</tbody>
</table>

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### Independent Assurance Statement

**Introduction:**

TÜV Rheinland (Guangdong) Ltd., member of TÜV Rheinland Group, Germany (hereinafter “TÜV”,”We”) has been entrusted by the management of Contemporary Amperex Technology Co., Limited (hereinafter “CATL”, “the Company”) to conduct independent assurance of the CATL’s 2022 Environmental, Social and Governance (ESG) Report (hereinafter “the ESG Report”). All contractual contents for this assurance engagement rest entirely within the responsibility of the CATL. Our task was to give a fair and adequate judgment on the ESG Report.

The intended users of this assurance statement are stakeholders having relevance to the CATL’s overall sustainability performance and impacts of its business activities during 2022 (January 1, 2022 - 31 December 2022). TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 60 countries, having qualified professionals in the Fields of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and not been involved in the preparation of the ESG Report contents.

**Assurance Standard:**

The Independent Assurance was implemented in accordance with the AASS00 Assurance Standard (AASS00 AS-v3), covering defined principles of Inclusivity, Materiality, Responsiveness and Impact.

**Scope & Type of Assurance:**

The assurance engagement covers the following:

- Reporting in accordance with the GRI Standards 2021, and information and data related to economics, environment & social, and material topics and sustainability performance disclosed in the ESG Report, also defined within reporting boundaries.
- Evaluation of disclosed information and data in the ESG Report as per the Assurance Standards.
- Type-2 and Moderate Level as per AASS00 AS-v3.

**Limitations:**

The assurance was conducted based on a moderate level of assurance under the AASS00AS for engagement. Information and performance data subject to assurance is limited to the content of the ESG Report. We did not assess and verify any disclosures in the ESG report for the reasons provided by CATL for omission that information were confidentiality constraints and information incomplete.
The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

Assurance Methodology:

TÜV has challenged the ESG Report contents and assessed the processes undertaken by CATL from source to aggregation in disclosure of information and data pertaining to sustainability performance. Our judgment is based on the objective review of reported information as per criteria defined under Assurance Standards, that is, principles of Inclusivity, Materiality, Responsiveness, and Impact.

Analytical methods and the performance of interviews as well as data verification were used as per random sampling. To verify and validate the correctness of reported data and contents in light of contractual agreement and the factual CATL’s corporate sustainability policy and commitment mentioned in the ESG Report. Our work covered interviews with CATL’s representatives including senior management and relevant employees who collected, summarized and reported the disclosures. The approach deemed to be appropriate for the purpose of assurance of the ESG Report since all data therein could be verified through original proofs and/or verified database entries.

The assurance was performed by our multidisciplinary team of experienced professionals in the fields of Corporate Sustainability, Environment, Social and Stakeholder Engagement. We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of our contract.

Adherence to the AASooAS v3:

Inclusivity:

CATL has identified key stakeholders, including investors, employees, customers, regulators, suppliers, cooperative partners and communities, and communicated with these stakeholders to collect and understand their concerns in proper ways (such as report discourses, meetings and trainings, customer satisfaction surveys, and workshops, etc.). CATL carried out annual questionnaire survey in 2022 for identification and quantitative analysis of sustainability topics related to its operations, based on stakeholder engagement and communication.

Materiality:

CATL has conducted materiality assessment on sustainability topics by identifying corporate ESG context, considering policies and standards, industrial practices and expert proposes, and on a basis of the results of communications with stakeholders. The company defined high material topics, such as compliance management, information security and privacy protection, responsible supply chain, and product carbon footprint, etc. The ESG report disclosed risk identification and management of the above-mentioned high material topics, in which risk, opportunity analysis and potential impacts for climate issues, and risk identification and due diligence management in responsible mineral supply chain are included.

Responsiveness:

CATL is responsive to issues concerned by stakeholders through sustainability policies, commitments, governance, sustainability goals and action plans, and key performance indicators disclosed in the ESG Report. The company has response mechanisms including 3rd-party managed environmental audits and monitors, sustainability transparency audits in value chain, compliance reporting and customer compliant hotline, etc. CATL also communicates with employees on a variety of sustainability issues through employee trainings, internal emails, COME communication platforms, bulletin boards and the corporate intranet.

Impact:

CATL has established seven sustainability goals by benchmarking UN Sustainable Development Goals (SDGs), also considering impacts on corporate business model and operations. The company has taken into account environmental impacts, and positively managed these impacts, especially identified and assessed significant impacts on key pollutant discharging units, and disclosed related information and data of emissions in the ESG Report.

Conclusion:

In conclusion, we can mention that no instances or information came to our attention that would be to the contrary of the statement made below:

- CATL’s 2022 ESG Report meets the requirement of Type-4, Moderate Level according to the AASooAS v3, and follows the requirements of reporting in accordance with GRI Standards 2021.
- The ESG Report includes statements and claims that can reflect the CATL’s sustainability achievements and challenges supported by its documentary evidence and internal records.
- The performance data disclosed in the ESG Report are collected, stored and analyzed in a systematic and professional manner and were plausible.
- TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision about the CATL based on this Assurance Statement.

Daniel Pan
Corporate Sustainability Service Technical Manager
TÜV Rheinland (Guangdong) Ltd.

10 Feb 2023, Guangzhou, China