

CATL

2023

**Environmental, Social and
Governance (ESG) Report**



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Report Preparation Instructions

This is the third Environmental, Social, and Governance (ESG) Report by CATL, presenting stakeholders with the Company's principles, approaches, initiatives, and progress in sustainable development. Through the special topics this year, the report showcases CATL's significant contributions across key ESG areas.

Scope of Report

This report covers Contemporary Ampere Technology Co., Limited and its subsidiaries (hereinafter referred to as "CATL" or the "Company"). The report's scope aligns with the Consolidated Financial Statements scope of CATL (stock code: 300750.SZ). Please refer data coverage in the section "ESG Data Performance Table".

Reporting Period

This report serves as the annual report for the period spanning from January 1, 2023, to December 31, 2023. Any information outside of this timeframe has been provided with relevant context where necessary.

Basis of Preparation

This report is prepared according to Shenzhen Stock Exchange's *Guidelines for Social Responsibility of Listed Companies* (2006), *Shenzhen Stock Exchange Guideline No. 2 on Self-Regulation of Listed Companies - Standardized Operation of Companies Listed on the Growth Enterprise Market* (amended in 2023), and Appendix I *Disclosure Requirements of Social Responsibility Reports of Listed Companies to Guidelines of Shenzhen Stock Exchange for Business Transaction of Listed Companies No. 2 - Matters Related to Regular Report Disclosure*.

This report has been created following the Global Reporting Initiative Standards (GRI Standards) (2021) set by GRI (Global Reporting Initiative), hereafter referred to as "GRI Standards" and referring to the the United Nations' Sustainable Development Goals (SDGs). It addresses significant topics highlighted in prominent Chinese and international ESG ratings.

Principles of Preparation

Accuracy

This report ensures that the information is as accurate as possible. It outlines the statistical scope, calculation methods, and underlying assumptions for each quantitative result to safeguard against errors that could mislead users. The Board of Directors assures the absence of false records, misrepresentations, or significant omissions in this report.

Balance

This report presents objective facts and impartially discloses both positive and negative information about the Company. Throughout the reporting period, the Company did not identify any significant negative events that should have been disclosed but were not.

Clarity

This report is published in simplified Chinese and English, with the Chinese version taking precedence in the event of any inconsistencies between the two. Supplementary tables, model diagrams, and glossaries are included in this report to complement the text. To facilitate stakeholders in accessing pertinent information efficiently, the report includes the contents and an index table of ESG standards.

Completeness

Unless otherwise specified, this report covers Contemporary Ampere Technology Co., Limited and its subsidiaries.

Timeliness

This annual report is released concurrently with CATL's 2023 Annual Report, offering stakeholders timely information to support decision-making.

Data Description

The information and quantitative data presented in this report originate from the Company's original records or financial reports reflecting actual operations. In cases of inconsistency with the Company's annual financial statements, the latter shall prevail.

The financial data in this report are all in CNY.

Contact Us

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Comparability

This report reveals ESG quantitative performance indicators for the current period and historical data when feasible. Consistent statistical and disclosure methods are applied across reporting periods for each indicator. Any methodological changes will be clarified in the report notes to aid stakeholders in conducting insightful analysis and evaluation.

Sustainability context

CATL identifies significant topics regarding the sustainable operation of the Company, and concerns of investors and other stakeholders by examining external policies and stakeholder needs relevant to investors and other stakeholders. This report emphasizes the features of the industries and regions in which the Company operates when addressing these significant topics. For a detailed analysis process and results, refer to the "Management of Material Topics" section in this report.

Verifiability

All the sources and computation processes of quantitative data disclosed in this report are traceable and can be used for external verification.

Message from the Leader

At the close of 2023, almost 200 nations gathered at the United Nations Climate Change Conference and ratified the "UAE Consensus". This historic agreement, the first of its kind in nearly three decades, signifies a unanimous commitment to transitioning from fossil fuels to clean energy. The consensus is anchored in the principles of "fairness, orderliness, and equity", serving as the cornerstone for reshaping energy systems. It not only charts a course for global climate change responses in the upcoming phase, but also intertwines humanity's fate more profoundly with the crucial mission of expediting climate actions.

The development of new energy is a critical response to climate change. In 2023, the global electric vehicle (EV) battery industry saw continued growth, with total usage reaching 705.5 GWh, marking a 38.6% year-on-year increase, and energy storage usage reaching 196.7 GWh (according to *SNE Research*). However, competition within the industry has intensified due to ongoing global economic fluctuations, industry restructuring, and policy adjustments. Confronted with uncertainties, risks, and challenges, major companies are actively enhancing their products and services through technological innovation and production capacity upgrades. This effort aims to quickly build up new, high-quality productive forces, propelling the new energy industry from a phase of mere "existence" to one of "excellence".

Amidst this magnificent industrial revolution, we have always been committed to addressing the core issues of safety, reliability, and sustainable development in the application of green energy, continuously presenting outstanding products and solutions. With the backing of stakeholders, CATL attained a 36.8% global market share for EV batteries in 2023, holding the top position worldwide for seven consecutive years. Additionally, CATL secured a 40% global market share for energy storage batteries, maintaining the leading position globally for three consecutive years (*SNE Research*).

We have remained dedicated to building an eco-friendly society, driving the transition to clean energy with innovation at its core. In 2023, our investment in research and development reached RMB 18.36 billion, backed by a team of over 20,000 R&D experts. Through continuous exploration and innovation, we have introduced significant advancements to the industry: Our condensed battery meets strict aviation

safety and quality standards; the Shenxing Superfast Charging Battery exceeds the performance limits of lithium iron phosphate; and the Qiji battery swap offers a greener, more cost-effective, and efficient solution for heavy-duty truck transportation. Our Zero-auxiliary Source Optical Storage DC Coupling Solution eliminates the necessity for cooling systems and additional power sources in traditional energy storage solutions. Introducing the first integrated refueling solution for zero-carbon battery charging and swapping, along with launching the initial Collaborative Operation Cloud Platform for the Entire Lifecycle of New Energy Vessels in the electric vessel industry, marks a shift from land-based to water-based ecosystems for EV batteries. Looking forward, we are dedicated to driving the green transformation of the global energy sector through innovations in material and electrochemistry system, structure system, green extreme manufacturing, and business model.

CATL follows the idea of environmentally friendly growth and incorporates carbon reduction across its entire industry process. In pursuit of this, we have put in place a comprehensive approach to carbon reduction governance and set out an ambitious goal for carbon neutrality in the global lithium battery industry: achieving carbon neutrality in core operations by 2025 and across the entire supply chain by 2035. In 2023, we ramped up our efforts to reduce carbon emissions. We implemented 538 energy-saving measures, significantly raised the share of zero-carbon power consumption to 65.4%, cut greenhouse gas emissions per unit product by 45.6%, and established four zero-carbon factories. We actively developed a circular economy system, with our Brunp Recycling subsidiary recycling 100,000 tons of used batteries and producing 13,000 tons of recycled lithium carbonate throughout the year. We created the "CATL Carbon Chain" system in-house, providing digital tools for collaborative carbon reduction throughout the battery industry chain. We also advanced the second round of the "CREDIT" sustainability transparency audit in the value chain and collaborated with ecosystem partners to foster sustainable growth in the supply chain.

While committed to frontier technological innovation, exploration, and business development, we have consistently viewed giving back to society as our duty and have played an

active role in community development and construction, aiming to foster harmonious relationships with local communities. In 2023, we set up a charitable foundation to aid in improving people's livelihoods, healthcare, education, the environment, and other public welfare initiatives within communities. We are working on establishing a sustainable mechanism to support rural revitalization and are using our resources and expertise to consistently carry out various initiatives for rural revitalization, including stabilizing employment, enhancing education, and rejuvenating industries.

It is worth mentioning that in 2023, we became a member of the United Nations Global Compact (UNGC), the world's largest organization dedicated to promoting sustainable development. This move has enabled us to actively land our commitments and further support the advancement of sustainable development goals. We have been recognized with various awards and accolades from reputable international institutions, including being honored as one of the top ten "China ESG Models" and named a "2023 Forbes China ESG Innovative Enterprise". Our company maintains a leading position in the industry when it comes to international ESG ratings. These achievements bolster our confidence and resolve in addressing climate change and driving energy transformation.

The endeavor for new energy carries the profound responsibility of safeguarding the sustainable progression of human civilization. It serves not only as a crucial pathway for humanity to move towards a sustainable tomorrow but also as a sturdy foundation upon which we collectively build our aspirations for a brighter future. As the saying goes, "Self-examination brings clarity, and self-transcendence forges strength". We remain committed to the principles of sustainable development, always ready to collaborate with our ecosystem partners in the pursuit of carbon neutrality. We aim to contribute to the noble vision of creating a community with a shared destiny for all mankind. Let us unite to shape, share, and thrive in a future filled with beauty and promise!

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



Overview of CATL

Company Profile

CATL, a global new energy technology leader, is dedicated to offering top-notch solutions worldwide and contributing significantly to global sustainable development.

Company Name
Contemporary Amperex Technology Co., Limited

Established
December 2011

Headquarters
No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian Province, P.R. China

Stock code
300750.SZ (the Growth Enterprise Market of Shenzhen Stock Exchange)

Vision, Mission, and Values



Vision

Rooted in Chinese civilization and embracing global culture, striving to be a world-class technology innovator, delivering superior contributions to green energy for the world, and providing a platform of pursuing spiritual and material well-being for employees!



Mission

Innovating for customers!



Values

Refine Enable Strive Innovate

Business Scope

CATL specializes in researching, developing, manufacturing, and selling batteries for electric vehicles and energy storage. The Company advocates for replacing fossil fuels in stationary and mobile applications, emphasizing electrification + intelligence to drive integrated innovation. With core technological expertise and a strategic focus on key industry areas like battery materials, systems, and recycling, CATL is committed to delivering top-tier solutions globally for new energy applications through innovation in material and electrochemistry system, structure system innovation, green extreme manufacturing innovation, and business model innovation.



Batteries

EV Battery



The Company's EV battery products include cells, modules/boxes and packs. It can offer a variety of chemical system product series covering different energy densities, such as condensed batteries, ternary high-nickel batteries, ternary high-voltage medium-nickel batteries, M3P batteries, lithium iron phosphate batteries, and sodium-ion batteries, to meet multiple functional requirements including fast charging, long useful life, long driving range, high level of safety, wide temperature adaptability. According to application fields and customer requirements, the Company designs personalized products through customization or joint R&D to meet customers' different needs for product performance.

In terms of applications in passenger vehicles, the Company's products can be applied in different market segments such as Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs) and Hybrid Electric Vehicles (HEVs), and are widely used in private cars and operating vehicles.

For commercial applications, its products can be applied in buses and commercial vehicles for road passenger transportation, urban distribution, heavy-duty transportation, and road cleaning, construction machinery such as forklifts, loaders and excavators, and electric vessels such as cruise ships, tugs, cargo ships and electric commercial aircrafts. In addition, its products, which feature high energy density, high power and high level of safety, can also be used in UAVs, vacuum cleaners, electric tools, electric two-wheelers and pan-robots.

Batteries

Energy Storage Battery



The Company provides cells, battery cabinets, energy storage containers, AC side systems and other energy storage solutions. Its products mainly aim at the power generation side, the power transmission and distribution side and the user side.

For cells, based on diverse application scenarios and the economy of the product lifecycle, the Company has developed a variety of special cells for energy storage on the power generation side and the power transmission and distribution side and cells suitable for application by users, which feature ultra-long useful life, high level of safety and wide temperature adaptability.

In terms of system integration, for applications on power generation, transmission and distribution sides, the Company has launched outdoor liquid cooling racks including EnerOne and EnerOne Plus, which feature high charge and discharge efficiency, long useful life, high integration and high level of safety, and BESS containers EnerC, EnerC Plus and EnerD suitable for all-climate scenarios, with technologies including automatic temperature control, cell to pack (CTP), and zero thermal propagation; it has released a solar-plus-storage integrated solution with zero auxiliary power supply that can improve the output, power quality, and energy time-shift efficiency of battery energy storage stations. For application by users, the Company can provide home energy storage solutions with high level of safety, low temperature resistance, long cycle, and easy installation, which are suitable for comprehensive application scenarios on low-voltage, medium voltage to high voltage platforms.

Battery Materials and Recycling



The Company's battery material products mainly include lithium salt, precursors and cathode materials. The Company also recycles metal materials such as nickel, cobalt, manganese, lithium, phosphorus and iron in waste batteries, and through processing, purification and synthesis, produces ternary precursors, phosphorus iron precursors and lithium carbonate, which are used for manufacturing lithium-ion batteries. It also reuses collected metal materials such as copper and aluminum, so that all critical materials required for battery manufacturing can be effectively recycled.

Besides, to further ensure the supply of key upstream resources and materials required for battery manufacturing, the Company invests in, builds, and operates lithium, nickel, cobalt and phosphorus and related products through self-construction, equity participation or joint venture.

Global Landscape

By the end of the reporting period, CATL had established production bases (including those under construction and those planned) across the battery, battery material and recycling, and battery mineral resources segments of the industry chain. Leveraging global resource advantages, the Company propels the continued high-quality advancement of the battery industry chain.

Battery Manufacturing Bases

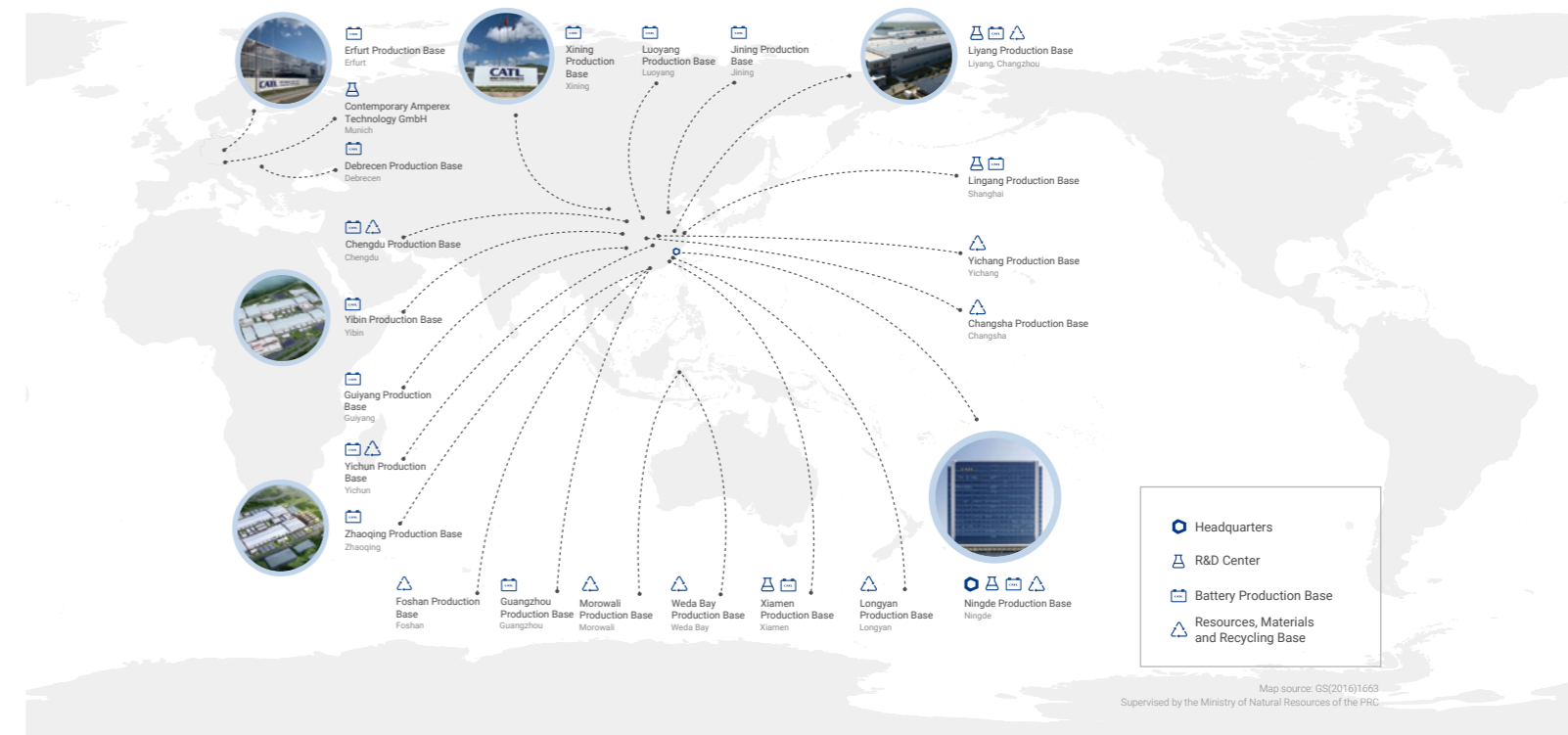
China: Ningde, Fujian Province; Xining, Qinghai Province; Liyang, Jiangsu Province; Yibin and Chengdu, Sichuan Province; Zhaoqing and Guangzhou, Guangdong Province; Lingang, Shanghai; Xiamen, Fujian Province; Yichun, Jiangxi Province; Guiyang, Guizhou Province; Jining, Shandong Province; and Luoyang, Henan Province

Overseas: Erfurt, Germany; and Debrecen, Hungary

Resources, Materials, and Recycling Bases

China: Ningde and Longyan, Fujian Province; Liyang, Jiangsu Province; Chengdu, Sichuan Province; Foshan, Guangdong Province; Changsha, Hunan Province; Yichang, Hubei Province; and Yichun, Jiangxi Province

Overseas: Morowali and Weda Bay in Indonesia



CATL's Strategies

Following three strategic development directions, CATL advocates for deep integration within the industry chain, hastens its global expansion, and establishes a comprehensive electrification system and industrial ecosystem through competitive product solutions and green energy services.

Three Strategic Development Directions



Utilizing renewable energy generation + energy storage

To replace stationary fossil energy



Utilizing EV batteries

To replace mobile fossil energy

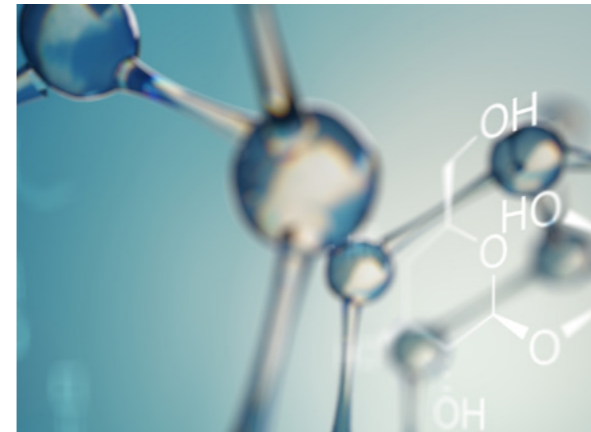


Utilizing electrification + intelligentization

To realize integrated innovation of market applications

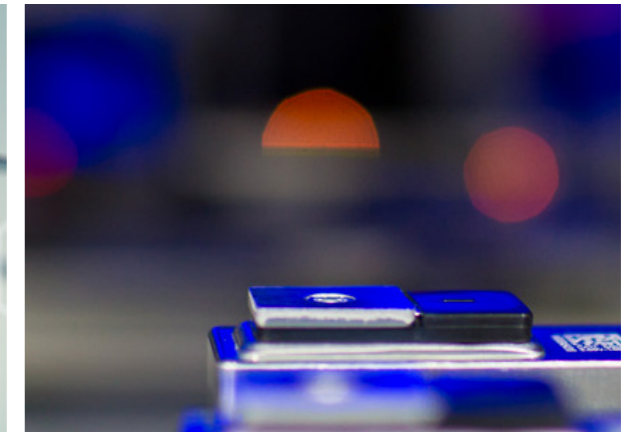
Guided by the three strategic development directions, CATL has established a four-dimension innovation system, encompassing "innovation in material and electrochemistry system, structure system innovation, green extreme manufacturing innovation, and business model innovation". The Company continues to develop and promote battery products and solutions with high energy density, high reliability, sound safety, and long service life, providing first-class solutions and services for new energy applications worldwide, and achieving global sustainability.

Four-dimension Innovation System



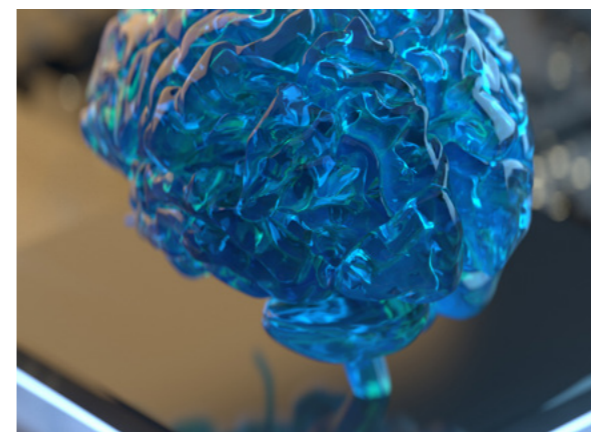
Innovation in Material and Electrochemistry System

Develop a high-throughput integrated computing platform dedicated to materials research. Employ this platform to simulate and design materials at the atomic level, harness advanced algorithms and powerful computing capabilities to identify the bonding characteristics of various material genes, drive extensive innovation in electrochemistry system, and investigate a wide range of technological pathways.



Innovation in Structure System

Integrate cells, assemblies, and chassis to improve energy efficiency, reduce the production and manufacturing costs of new energy vehicles, and improve their overall performance.



Green Extreme Manufacturing Innovation

Enhance our manufacturing capabilities by prioritizing product quality, production efficiency, and safety assurance. Utilize advanced analytics, digital twin simulations, 5G technology, and edge/cloud computing to creatively enhance process and design intelligence. Continuously improve and refine the manufacturing system through upgrades and iterations.



Business Model Innovation

Develop innovative business models like shared energy storage, battery swap operations, and optical storage and charging inspections tailored to specific application scenarios and the unique features of battery products and "intelligence" solutions. Establish a closed-loop system for complete battery lifecycle services, facilitating the widespread adoption of comprehensive electrification across various sectors.

Sustainable Development Governance

Sustainable Development Strategies

In pursuit of both global sustainable development and its own objectives, CATL integrates the principles of sustainable development into its daily operations and management, relying on robust ESG management as the means to achieve its sustainability goals.

Sustainable Development Guidelines



All-win Harmony



Innovate to Achieve



Legitimate Operation



Eco-friendly

Commitment of Sustainable Development

CATL responds positively to the UN Sustainable Development Goals (SDGs). While providing innovative products and services, CATL integrates the concept of sustainable development management into all aspects of its business operation, establishes a sustainable development management system, adheres to ethical and compliance management, and continuously strengthens communication with stakeholders to ensure the sustainable development of CATL and benefit our customers and society.

* See details in the "Sustainability" column on CATL's official website.

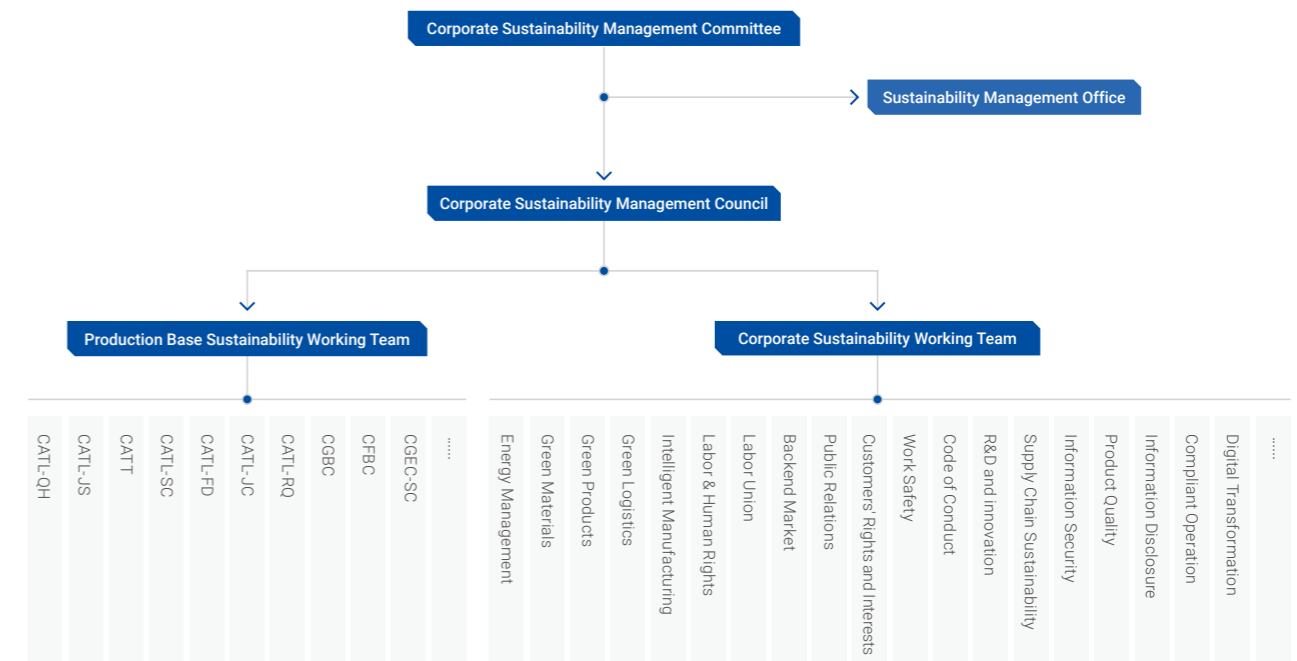


The Corporate Sustainability Management Committee (referred to as the "Committee") is headed by the Secretary of the Board of Directors and comprises Company executives as its members. The Committee oversees and decides on the planning and actual outcomes related to CATL's sustainability management. In the reporting period, the Committee welcomed new members, fostering a more diverse team to offer high-level support for CATL in effectively addressing sustainability challenges.

The Corporate Sustainability Management Council (referred to as the "Council") established under the Committee consists of key members from various business departments. The Council is tasked with developing the overarching blueprint and executing sustainability management initiatives across the Company. In the reporting period, new members joined the Council, enhancing the synergy between sustainable development and the Company's business operations. The Council includes a Corporate Sustainability Working Team and a Production Base Sustainability Working Team, ensuring the Company's sustainable development is effectively promoted and operationalized in a comprehensive manner.

To further promote and motivate sustainable development, CATL has established ESG performance as a corporate-level performance metric. This metric is subsequently disaggregated and incorporated into the performance evaluations of pertinent departments, with appropriate weighting. Rewards and penalties are assessed based on the annual evaluations.

Organizational Chart of Corporate Sustainability Management Committee



Responsibilities of the Corporate Sustainability Management Committee

- Review the guidelines, annual priority action plan, and objective related to the Company's major topics of sustainable development, and give feedback.
- Determine and approve the organizational structure and job responsibilities of the Company's sustainability management.
- Review and make decisions on the Company's annual sustainability management and its reports.
- Review the Company's annual budget and achievements of sustainable development work, and report to the Board of Directors.
- Report to the Board of Directors any sustainability matter that exerts great influence.



CATL incorporates the principles of sustainable development into its day-to-day activities and disseminates information on sustainability through various channels such as email, internal publications, posters. The Company regularly hosts Sustainability Month events and ingrains the concept of sustainable development deeply within its corporate culture through internal symposiums, training sessions, and other initiatives. In the reporting period, CATL organized specialized training sessions on "Essentials of Sustainability Management", "Product Life Cycle Assessment and Carbon Footprint Management", and "Carbon Peak and Neutrality Goals and Opportunities" to continually boost awareness and proficiency in sustainable development among all employees.

During the reporting period, CATL formally became a member of the United Nations Global Compact (UNGC) and pledged to uphold its tenets encompassing human rights, labor, environment, and anti-corruption. The Company persists in refining its internal ESG management capabilities, improving external information transparency, and communicating the values and principles of sustainable development to a wider array of stakeholders.

Partial Ratings and Honors

Mainstream ESG Rating Statistics

Scoring A in MSCI ESG rating	54 scores in the Corporate Sustainability Assessment (CSA)	Sustainalytics ESG risk score of 19.2 (low risk)
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Honorary Awards of ESG

2023 Forbes China ESG Innovative Enterprise	2023 Fortune China ESG Impact List	Included in S&P Global's Sustainability Yearbook 2023 (China Edition)	"China ESG Model" Enterprise selected by China Media Group
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Honors of Corporate Governance

Rated Grade A in Shenzhen Stock Exchange information disclosure assessment (for four consecutive years)	"Best Practice for Corporate Governance in 2023", "Excellent Practice Case for Boards of Directors of Listed Companies in 2023", and "Best Practice Case for Office of Boards of Directors of Listed Companies in 2023" by the China Association for Public Companies (CAPCO)
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Honors of R&D and Innovation

China Industry Awards from China Federation of Industrial Economics	Most Innovative Automotive Supplier in the "Drives" Category from the Center of Automotive Management
TECHNOBEST Award from AUTOBEST	Good Business - Green Technology Contribution Award of BusinessWeek/China
Wu Kai, Chief Scientist of CATL, the winner in the "Non-EPO countries" category of the European Inventor Award 2023	First Prize of Guangdong Science and Technology Progress Award in 2022 from the People's Government of Guangdong Province

Honors of Employment

2023 Forbes China Best Innovative Practice Employer of the Year	2023 China Best ESG Employer Award by Aon
SHL 2023 Talent Management Excellence Award	LinkedIn 2023 Global Talent Magnet Employer

* For partial rating results and honors, the above statistics are as of December 31, 2023.

In November 2023, Dr. Robin Zeng, Chairman of CATL, received the 2023 Outstanding Contribution in Sustainability Award from the Nobel Sustainability Trust (NST) for his significant impact on global transportation electrification and the energy revolution. Since its founding in 2011, CATL has consistently advanced the adoption of new energy technologies worldwide through innovation, offering top-tier products and solutions to support global sustainability objectives. Moving forward, CATL aims to mobilize additional social resources to further contribute to sustainable development.

Contribution to Global Sustainable Development Goals

CATL actively evaluates the alignment of United Nations Sustainable Development Goals (SDGs) with its corporate responsibility practices, integrating sustainability management throughout its business operations while delivering innovative products and services.

The contributions to seven key SDGs are summarized based on the Company's business attributes and recent focus of stakeholders, shown in the table below.

CATL's Actions against SDGs

SDG 1 No poverty

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

SDG 4 Quality education

- Prioritize education development, fund children and students in financial difficulty, and provide vulnerable groups with equal access to education.
- Finance the construction of kindergarten and primary school campuses and dormitories, transferring them to Ningde government departments for educational administration to meet the educational requirements of the community and employees' children.
- Proactively train technical talent proactively and collaborate with schools to tailor professional courses for cultivating skilled industry professionals.
- Share knowledge on sustainable development through featured activities, education, and outreach. Conduct themed events to communicate the concept of sustainable development to a wider audience.

SDG 7 Affordable and clean energy

- Adhere to three strategic development directions: Prioritize "electrochemical energy storage + renewable energy generation" to replace stationary fossil energy and eliminate reliance on thermal power generation; emphasize "EV batteries + NEV" to replace mobile fossil energy and reduce dependence on oil in the transportation sector; and focus on "electrification + intelligence" to drive integrated innovation of applications and offer sustainable, accessible, and reliable energy for various industries.
- Enhance energy efficiency through equipment optimization, transformation, and other methods while increasing the utilization of renewable energy.



SDG 13 Climate action

- Establish and disclose the "Zero Carbon Strategy" goal: achieve carbon neutrality in core operations by 2025 and across the entire supply chain by 2035.
- Create a "zero-carbon" ecological closed loop for the Company using a four-dimension innovation system.
- Establish six "Zero Carbon" special topics – Design, Factory, Supply Chain, Manufacturing, Power, and Recycling Ecosystem – to facilitate the comprehensive attainment of the goals.

SDG 12 Responsible consumption and production

- Set up a circular economy system, create an ecological closed loop for "battery production → use → cascade utilization → recycling and resource regeneration", enhance waste battery processing capacity to address mineral resource scarcity, and minimize environmental pollution from used batteries.
- Reduce wastewater, waste gas, general industrial solid waste, and hazardous waste through reduction measures.
- Foster a sustainable corporate culture, issue annual ESG reports, and engage stakeholders on CATL's sustainable development initiatives.
- Advance the sustainable transparency review of the second "CREDIT" value chain, enhance upstream enterprises' sustainable development capabilities, and fulfill social responsibilities effectively.

SDG 9 Industry, innovation, and infrastructure

- Drive product R&D innovation by continuously achieving breakthroughs in innovations in material and electrochemistry system, structure system, green extreme manufacturing, and business model to establish core technological advantages.
- Empower manufacturing through innovative technology, expand "Lighthouse Factories", and achieve energy conservation and efficiency improvement concurrently.
- Focus on a technology innovation system integrating industry, academia, and research; collaborate with top Chinese and foreign universities and research institutions for talent acquisition, scientific R&D, and deploy cutting-edge technologies in new energy.

SDG 8 Decent work and economic growth

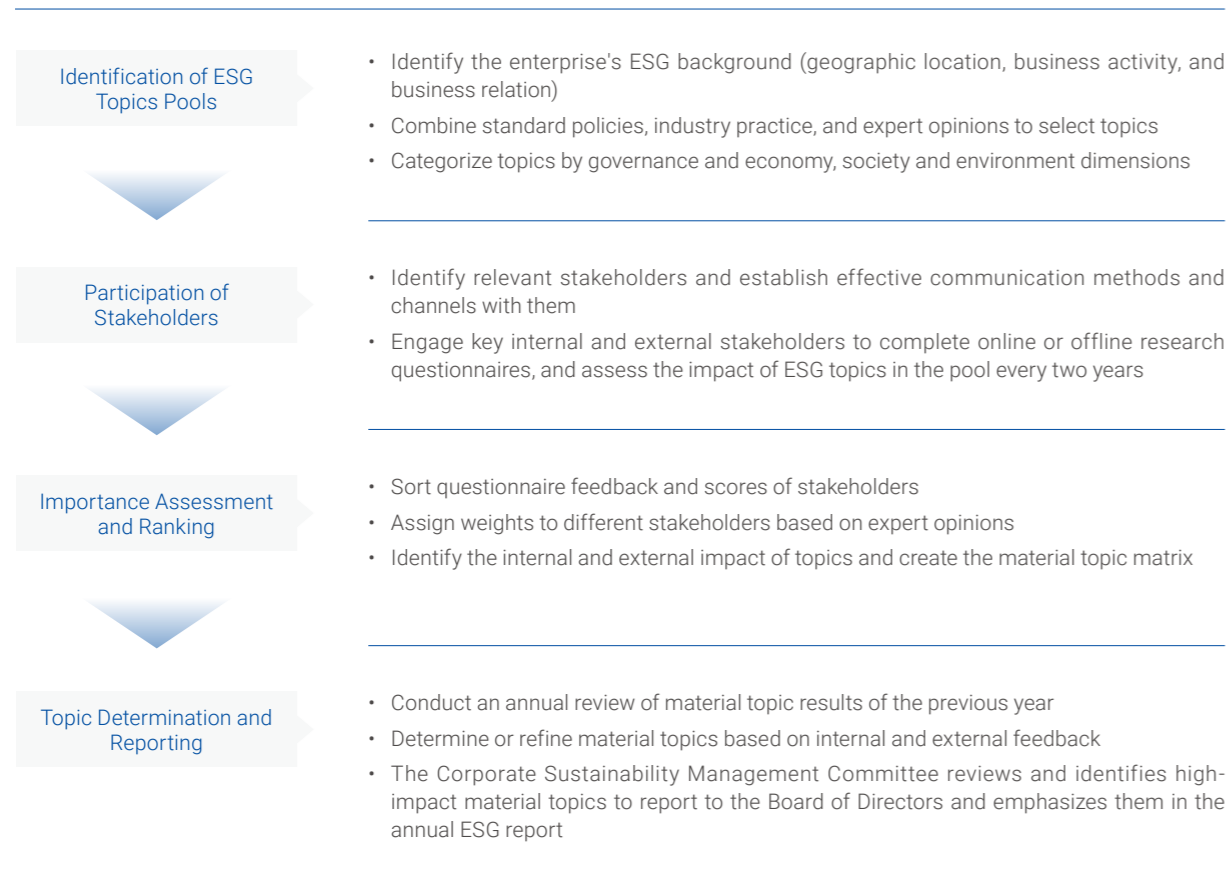
- Provide job opportunities and safeguard employees' rights and benefits. Explicitly ban the use of child labor and forced labor, and oversee supplier chain partners to prevent child labor, inhumane treatment, and forced labor.
- Determine employees' base pay according to the position value and personal performance and contribution. Introduce a fair and unbiased performance evaluation system and establish short-term, medium-term, and long-term incentive plans for mutually beneficial growth of both the Company and employees.
- Be attentive to employees and ensure a safe work environment; foster the integration of domestic and foreign cultures.
- Support female employees by putting in place flexible work arrangements, providing essential facilities, offering maternity and breastfeeding leave, and organizing special activities to protect their rights and interests.

Management of Material Topics

Identification and Analysis of Material Topics

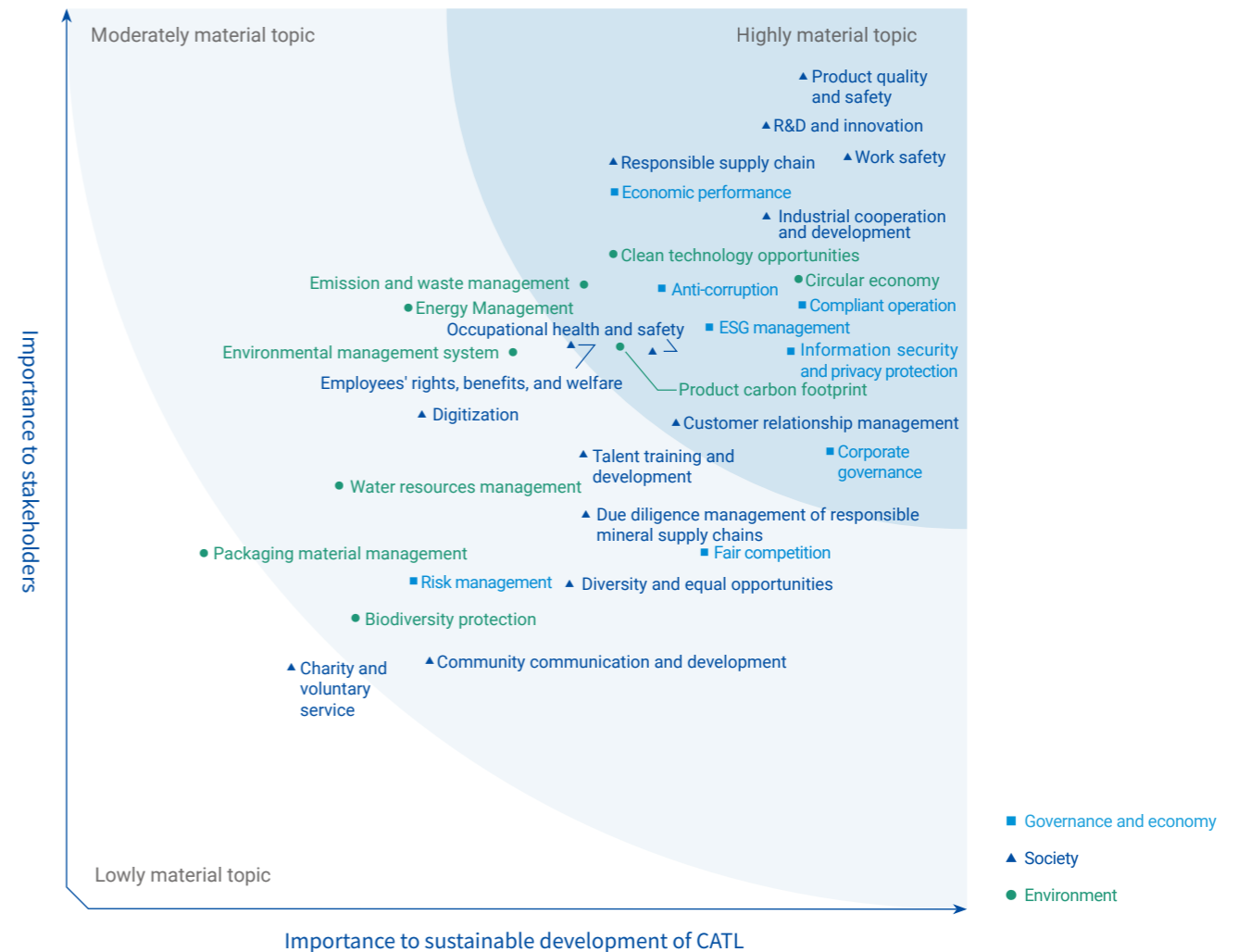
CATL begins its sustainability management with material topics. By comprehensively addressing stakeholders' concerns and integrating their demands and expectations, CATL follows the principle of stakeholder participation and conducts regular identification and analysis of significant topics.

Material Topics Identification and Analysis Process



During the reporting period, CATL analyzed external stakeholders' concerns based on the latest Exchange policies and relevant regulations on sustainable development in China and abroad. By integrating Chinese and international industry practices, CATL conducted an annual review of the previous year's material topics. Taking into account input from internal and external representatives, CATL summarized and finalized the annual material topic results. Following this review, the Company added "ESG Management" and "Risk Management" as material topics and further subdivided "Resource Management" into "Energy Management", "Water resources Management", and "Packaging Material Management". Additionally, CATL adjusted the definitions and significance levels of certain topics, with details provided in the material topic Matrix and the report's appendix. The Company analyzes the risks and opportunities associated with these high-impact topics to consistently evaluate their influence on business operations and stakeholders.









Material Topics Matrix



Communication with Stakeholders

CATL maintains regular communication with stakeholders to grasp their opinions and expectations, engages in dialogue and addresses specific topics, builds enduring trust-based partnerships with all relevant parties, and ensures the inclusive and balanced management of material topics. By focusing on material topics in sustainability management and information disclosure, CATL communicates promptly with stakeholders, gathers feedback, and enhances its management practices accordingly.

Concerns of Stakeholders and Communication Methods

Stakeholders								
	Investors	Employees: executives	Employees: all employees other than executives	Customers	Government and regulators	Suppliers	Partners	Public and community
Representatives	Corporate shareholders and potential investors	General manager, deputy general managers, and department heads	Representatives of trade union members, employee representatives, and representatives of other workers of the Company	Global automakers and developers of energy storage and other energy projects	Government of the countries/regions involved in business, Shenzhen Stock Exchange	Suppliers of core raw materials such as cathode and anode materials	Industry associations, standard working teams, and university partners of the countries/regions where the Company operates	Non-governmental organizations, charities, social organizations and mainstream media
Topics of Concern	<ul style="list-style-type: none"> Corporate governance Compliant operation Economic performance Anti-corruption R&D and innovation Work safety Industrial cooperation and development 	<ul style="list-style-type: none"> Compliant operation Corporate governance Product quality and safety Work safety R&D and innovation Information security and privacy protection 	<ul style="list-style-type: none"> Employees' rights, benefits, and welfare Occupational health and safety Product quality and safety Talent training and development Diversity and equal opportunities Information security and privacy protection 	<ul style="list-style-type: none"> Product quality and safety Responsible supply chain Circular economy Due diligence management of responsible mineral supply chains Product carbon footprint Clean technology opportunities 	<ul style="list-style-type: none"> Compliant operation Fair competition Anti-corruption Product carbon footprint Environmental management system 	<ul style="list-style-type: none"> R&D and innovation Responsible supply chain Information security and privacy protection Product quality and safety Work safety Occupational health and safety 	<ul style="list-style-type: none"> Industrial cooperation and development R&D and innovation Product quality and safety Economic performance Emission and waste management 	<ul style="list-style-type: none"> R&D and innovation Product quality and safety Economic performance Charity and voluntary service Community communication and development
Communication Methods and Channels	<ul style="list-style-type: none"> General meeting of shareholders Financial statements and announcements Q&A on Shenzhen Stock Exchange interaction platform (Hudongyi) Investor hotline Roadshows and reverse roadshows Performance briefing Field research 	<ul style="list-style-type: none"> Internal management meeting and report Trainings on corporate governance Internal information communication platform Internal email exchange Close-door exchange meetings with external experts 	<ul style="list-style-type: none"> Employee activity Employee training Employee assessment and promotion Trade union and workers' congress Internal information communication platform Organizational promotion committee Occupational health supervision Work safety management Information security training and test for all employees Safety emergency drills 	<ul style="list-style-type: none"> Customer satisfaction survey Life-cycle green products and services Life-cycle quality management Supply chain review Due diligence management of responsible mineral supply chains 	<ul style="list-style-type: none"> Institutional investigation Official document exchange Policy implementation Information disclosure 	<ul style="list-style-type: none"> Supply chain review Supplier quality/safety/due diligence management Supplier training and improvement 	<ul style="list-style-type: none"> Communication and exchange visits Associations and working teams related to standards and policies Strategic cooperation projects Information disclosure 	<ul style="list-style-type: none"> Communication and exchange visits Media interview Life-cycle quality management Information disclosure Social welfare projects Community volunteer activities Charity foundations

This Year's Special Topic

Consistently Surpassing Expectations and Pioneering through Innovation

Making the Advanced R&D System Better

Innovation stands as one of CATL's defining core competencies. The Company has consistently strived for groundbreaking innovation advancements in battery technology, aiming to reduce mankind's reliance on fossil fuels and realize the shared vision of global sustainable development. Green transformation serves as a robust catalyst for economic progress and high-quality corporate transformation. In pursuit of this, the Company vigorously champions innovation in full-lifecycle solutions, contributing significantly to the global quest for green and low-carbon development.

CATL's R&D covers all aspects of the battery industry chain, including materials, products, manufacturing, and recycling. The Company improves its R&D efficiency through digital and intelligent means, and carries out innovations in material and electrochemistry system, structure system, and green extreme manufacturing. It boasts unique R&D institutions that provide a comprehensive organizational guarantee and strong support for the Company's continuous innovation, including the National Engineering Research Center for Electrochemical Energy Storage Technology, the Key Laboratory of Lithium-ion Battery Enterprise in Fujian Province, a Testing and Validation Center accredited by the China National Accreditation Service for Conformity Assessment ("CNAS"), the 21C Lab, the CATL Future Energy Research Institute (Shanghai), Xiamen Contemporary Amperex Research Institute, and the CATL Jiangsu Institute.

CATL drives innovation with high R&D investment. During the reporting period, its R&D investment reached RMB 18.356 billion, a year-on-year increase of 18.35%. To further achieve matching between business operations and talent introduction, and strengthen its independent R&D capabilities, CATL always attaches great importance to developing its high-level R&D talent echelon and establishing a comprehensive and accurate talent evaluation system. It offers R&D personnel with more suitable positions based on the evaluation results, and provides them with competitive salary packages and broader career development space to create an industry talent hub. As of the end of the reporting period, CATL had a professional R&D team of 20,604 people in place, including 3,913 members with master's degrees and 361 with PhDs.

Advanced Product Development

Drawing upon its in-depth research and comprehension of first principles, molecular dynamics, electrochemical phase field, phase diagram theory, and various other research methodologies, CATL has capitalized on its extensive experience, technological advancements, and self-constructed thematic databases in the lithium-ion battery industry to establish a distinctive battery material methodology. Focusing on diverse battery systems, the Company consistently refines and elevates its intelligent product R&D platform, relying on robust computing capabilities, cutting-edge algorithms, and vast amounts of data. This enhancement has been achieved through the integration of advanced technologies, including multi-scale coupled simulation, thereby laying a solid foundation for its pioneering battery material R&D efforts.

By integrating data and intelligent technologies, CATL has successfully unified design, modeling, simulation, verification, and management throughout the product R&D stage. This comprehensive approach ensures that the entire R&D lifecycle is thoroughly covered, significantly improving battery R&D efficiency and enabling the full traceability of design data. Consequently, CATL has firmly established its innovative position within the industry and strengthened its core competitiveness.

Intelligent Process Engineering

CATL focuses on the core business module of process engineering and improves its product quality by utilizing the digital and intelligent technologies, including knowledge graph, machine learning, natural language algorithms, and machine vision inspection. CATL has deployed eight digital and intelligent systems that cover the entire business chain from new process development, Design for Manufacturing (DFM) verification, mass production to continuous improvement, enabling multi-system interconnectivity.

CATL has implemented the digital systems by combining with process simulation and intelligent design of experiments (DOE) to promote process standardization in the new product introduction (NPI) projects. During the new product development stage, a comprehensive and quantitative manufacturability management system is established to quantify the manufacturability standards and key performance indicators of the production line equipment, thereby optimizing mass production solutions for new products. The digitalization of control plans, quality-related documents, etc., can ensure a manageable product manufacturing process.

Leveraging an intelligent system with failure mechanism, feature engineering, and big data modeling, CATL has pioneered the development of intelligent failure analysis (FA) technology in the lithium-ion battery industry. By incorporating the expertise knowledge and wisdom accumulated by experts through years of profound research in the battery field, CATL has introduced knowledge graph and natural language models to build a specialized engineering knowledge base for lithium battery industry, and improved the accuracy of failure analysis and the efficiency of its root cause identification by applying physical and data-driven modeling techniques. Meanwhile, we have developed the first online secondary Poka-Yoke system by applying multiple variables analysis and big data analysis technology, which has been deployed through all the battery factories to systematically monitor the production process and avoid potential quality mistakes with early warning of quality variation. This enables the rapid and effective quality risks management to ensure a high consistency in battery products during mass production, which in turn safeguards high safety and reliability for customers' products, and also injects powerful momentum into CATL's continuous and efficient innovation.

Strong Atmosphere of Innovation

CATL creates a strong atmosphere of innovation and enhances its employees' awareness of innovation to better stimulate their creativity and innovative spirit through diversified innovation-themed cultural activities, including training courses, innovation salons, Innovation Month, and Focus Release. CATL offers generous innovation incentives for R&D talents via mechanisms such as innovation awards, innovation platforms, innovation points, intellectual property incentives, and long-term incentive plans.

Innovation-themed Cultural Activities

Training Courses

CATL offers fundamental courses on such themes as R&D design, process equipment, and engineering methods, providing employees with sufficient professional knowledge to unleash their innovative ideas. As of the end of the reporting period, CATL had launched a total of 192 courses, with the total attendance of course training sessions reaching 120,000.

Innovation Month

CATL organizes Innovation Month activities in order to strengthen its employees' awareness of innovation and contributions to the overall improvement of the Company's innovation capabilities through a series of diversified innovation-themed activities. During the reporting period, CATL launched Innovation Month activities themed "Innovation Hub" and organized six themed activities such as "Breaking Fixed Mindsets", "Face-to-Face Talks on Innovation with Executives", and "Sharing Innovation Experiences by Female Managers". These activities aimed to create a strong atmosphere of innovation and encourage employees to engage in innovation practices.

○ Innovation Incentive Platforms and Activities

Innovation Award

Each year, CATL grants the Innovation Award to teams that have made significant scientific research breakthroughs and technological innovations in material and electrochemistry system, structure system, and green extreme manufacturing. This award is the Company's top honor, aiming to commend outstanding teams and provide financial incentives. CATL offers additional rewards to outstanding individuals who dare to break conventions, demonstrate bold innovation, and make remarkable contributions to the four-dimension innovation system.

"Innovation and Collaboration"-themed Creative Platform

An expert committee has been established for CATL's online innovation platform to encourage employees to actively participate in creativity applications and provide thorough and professional reviews and guidance for creative projects. Projects that pass review will be funded by the Company for pre-research, while projects that succeed in pre-research will undergo company-level scaling-up verification or implementation and promotion. CATL provides its employees with financial and honor incentives, and continuously promotes and upgrades its innovation incentives. As of the end of the reporting period, CATL had accepted a total of 64 creative projects, 17 of which had been implemented and generated benefits.

- **Incentives for creative teams:** CATL provides project initiation and completion incentives to creative individuals and teams in a gradient arrangement.
- **Departmental incentives:** CATL establishes a departmental incentive fund pool for departments, evaluates departments, and provides funds based on innovative/creative project initiation or completion on a monthly basis, which can be used by departments to carry out innovation activities internally.
- **Creative medals:** Employees who meet the corresponding criteria can be awarded with different levels of creative medals.

Selection of "Innovation Talents"

CATL selects employees with outstanding innovation achievements quarterly and awards them the title of "Innovation Talent". This move is to encourage more R&D personnel to actively participate in innovative work, stimulate their creativity and innovation awareness, and promote knowledge sharing and teamwork, thus contributing to the Company's innovative development. During the reporting period, CATL made a gradient adjustment to the scientific and technological innovation points, and increased the quota of such points, thereby more effectively incentivizing R&D personnel to participate in R&D and innovation. The Company conducted three innovation talent selection activities during the reporting period, and a total of 30 employees were awarded the title of "Innovation Talent".



Open Innovation Ecosystem

CATL continuously strengthens its R&D capabilities globally and establishes an R&D and innovation network, forming an R&D model that focuses primarily on independent R&D, supplemented by the collaboration of external partners, to support the innovative development of the industry. The Company actively establishes and continuously promotes talent and scientific research cooperation with renowned Chinese and international universities and research institutions. By jointly building R&D cooperation platforms and introducing new technologies and resources, CATL promotes the integration and development of internal and external innovative forces, explores innovative solutions for the entire lifecycle, ranging from battery development and manufacturing to recycling, and jointly builds a sustainable industrial development ecosystem.

○ R&D Cooperation Platforms

Cooperation Platform	R&D Cooperation Progress
<p>R&D Innovation Platforms for Academia and Research</p>	<ul style="list-style-type: none"> • The Company has created R&D innovation platforms for academia and research, including the Future Energy Research Institute (Shanghai), CATL-Shanghai Jiao Tong University Clean Energy Technology Joint Research Center, CATL-Chinese Academy of Sciences Institute of Physics Clean Energy Joint Laboratory, CATL-Xiamen University Research Institute, and CATL-South China University of Technology Joint R&D Center for Intelligent Manufacturing. • As of the end of the reporting period, the Company had engaged in personnel training, scientific and technological research, and project application in nearly 400 projects in collaboration with nearly 140 universities and research institutes, including Shanghai Jiao Tong University, Xiamen University, Tsinghua University, Beijing Institute of Technology, Huazhong University of Science and Technology, Fudan University, Sichuan University, China University of Geosciences, South China University of Technology, and Hunan University.
<p>Postdoctoral Workstation</p>	<ul style="list-style-type: none"> • In 2018, CATL established a national postdoctoral workstation. It has embraced joint training programs with leading universities such as Shanghai Jiao Tong University, Xiamen University, Tsinghua University, Beijing Institute of Technology, Zhejiang University, Wuhan University, and Nankai University to cultivate postdoctoral talents in areas such as EV battery raw materials and intelligent manufacturing. • As of the end of the reporting period, postdoctoral researchers at the workstation had cumulatively delivered nearly 130 intellectual property rights, papers, and other scientific research achievements. The "Lithium-ion EV Battery with High Specific Energy" and "Superfast Charging EV Battery" projects applied for by the workstation were granted the gold and silver awards respectively at the first and second China Postdoctoral Innovation and Entrepreneurship Competitions. A total of four postdoctoral researchers were awarded the title of "National Outstanding Postdoctoral Researcher in Innovation and Entrepreneurship".
<p>Open Fund Projects</p>	<ul style="list-style-type: none"> • In 2020, CATL launched open fund projects in collaboration with universities including Zhejiang University, Sichuan University, and Xi'an Jiaotong University. Based on a recommendation and evaluation mechanism, the Company selectively funds related research projects. Many open fund projects have been transformed into company-level projects. • During the reporting period, a total of 15 research projects were supported by open fund projects.
<p>"CATL Cup" New Energy Innovation Competition</p>	<ul style="list-style-type: none"> • Collaborating with Xiamen University, CATL has organized the "CATL Cup" New Energy Innovation Competition since 2022. It has helped CATL to further promote university-level research in new energy innovation, laying the foundation for training new talents and advancing technological innovation in the new energy industry. • During the reporting period, CATL organized the second "CATL Cup" New Energy Innovation Competition, focusing on the demand for cutting-edge technology in the industry and assisting in the transformation and utilization of scientific and technological achievements. A total of 121 entries were received in the competition, covering such themes as "new batteries", "advanced energy storage technology", and "new low-carbon technology".

Continuously Leading R&D Achievements

Based on its comprehensive leading R&D system, CATL continues to make innovations in material and electrochemistry system, structure system, green extreme manufacturing, and business model in order to meet the needs of different customers, offer first-rate solutions and services for global new energy applications, and promote new energy applications worldwide.

Innovation in Material and Electrochemistry System



Condensed Battery: It adopts a high-performance biomimetic condensed electrolyte and a micrometer-scale adaptive network structure to adjust the intermolecular interaction forces. This not only enhances the stability of the microstructure but also improves the battery's dynamic performance and enhances the efficiency of lithium-ion transport. Energy density of the condensed battery can reach up to 500 Wh/kg. Its most prominent feature is achieving both high energy density and high-level safety at the same time, while ensuring rapid mass production.



Shenxing Superfast Charging Battery: As the world's first 4C lithium-iron phosphate battery, it employs innovations such as super-electron network cathode technology, graphite fast ion ring technology, and an ultra-high conductivity electrolyte formula. The battery empowers a range of 700 km for the entire vehicle while also possessing advantages such as all-temperature fast charging and high safety. During the reporting period, Shenxing Superfast Charging Battery became the first product in the global EV battery industry to win the TECHNOBEST Award from AUTOBEST, and CATL became the first and only Chinese company to win this award.

Innovation in Structure System

EV Battery System



CTP 3.0 Qilin Battery: With a volume utilization efficiency of 72%, a heat exchange area expanded fourfold, and an energy density of up to 255 Wh/kg, it is capable of delivering a range of over 1,000 km and can be charged to 80% in 10 minutes. This achieves comprehensive improvement in range, fast charging, safety, service life, efficiency, and low-temperature performance. During the reporting period, CATL was honored as the "Most Innovative Automotive Supplier" in the "Drives" category thanks to its CTP 3.0 Qilin Battery. As of the end of the reporting period, the battery had been mass-produced and delivered.

Energy Storage Battery Systems



5 MWh EnerD Series Liquid-cooled Energy Storage Prefabricated Cabin System: This system adopts a new generation of 314 Ah cells specialized for energy storage, combined with CTP liquid-cooled high-efficiency grouping technology and design concepts of modularization and standardization. Within single 20-foot container, it increases the power capacity from 3.4 MWh to 5.0 MWh and also improves safety and reliability. In addition, the cell is capable of reducing occupied area, engineering load and cable usage for energy storage station construction. Moreover, from the perspective of station operation, commissioning cycle can be shortened and economic efficiency will be improved.



Zero-auxiliary Source Optical Storage Integration Solution: Adopting the industry's first long-life high-temperature cell, the system has a cycle life of up to 15,000 times. With CATL's proprietary optical storage converter, coupled with high-temperature cell technology and advanced self-heating technology, this system can not only achieve the coordinated operation of optical storage, but also respond in milliseconds with zero output power deviation, making it the world's first zero-auxiliary source optical storage integration solution.

Innovation in Green Extreme Manufacturing



Super Production Line: CATL's new generation of super production line technology has been fully applied and the Company has achieved upgrades in new production capacity processes and engineering by breaking through bottlenecks in process efficiency and utilizing intensive energy-saving equipment, high-speed intelligent logistics, and intelligent quality inspection. Compared with the previous generation of production lines, the super production line significantly improves production efficiency, upgrades product quality, and reduces energy consumption.



Lighthouse Factory: The World Economic Forum (WEF) selected the Liyang Base as a "lighthouse factory", becoming the Company's third such lighthouse factory after Ningde Base and Yibin Base. At present, CATL boasts the only three lighthouse factories in the global lithium-ion battery industry.

Business Model Innovations



Electric Vessels: CATL stands as the world's first provider of entire lifecycle solutions for electric vessels. As of the end of the reporting period, more than 500 new energy vessels equipped with the Company's marine power batteries had been put into operation globally. CATL has launched the Collaborative Operation Cloud Platform for the Entire Lifecycle of New Energy Vessels, the industry's first ecosystem cloud platform for electric vessels. The Company has also launched the first Zero-Carbon Charging and Swapping Comprehensive Refueling Platform to address the digitalization requirements of various vessel scenarios and meet the rapid refueling requirements of electric vessels.



Regional Zero-Carbon Construction: Based on its product and technology advantages in clean energy and its rich experience in carbon reduction for itself and the value chain. During the reporting period, the Company entered into strategic cooperation agreements with cities including Beijing, Shenzhen, Ordos, Zhaoqing and Datong, whereby to provide zero-carbon city construction solutions and implementation support as needed by local governments, jointly promote cooperation in the green and intelligent manufacturing of new energy products, new energy investment and development, transportation electrification and infrastructure construction, recycling and cascade utilization of batteries, and push for transition into green and low-carbon development in various fields.



Qiji Battery Swap: The Company has a proprietary one-stop heavy-duty truck chassis battery swap solution, encompassing a battery swap block, swap station, and cloud platform. The Qiji Battery Swap block employs non-thermal propagation technology, mature and efficient CTP integration technology, and ultra-long life battery technology of 15,000 cycles, featuring both safety and cost-effectiveness. Via information interaction among vehicles, stations, and batteries, the Qiji Cloud Platform leverages big data computation to implement functions such as asset monitoring, intelligent scheduling, appointment-based battery swapping, and route planning, thereby enhancing operation and transportation efficiency. The Qiji Battery Swap offers a more eco-friendly, cost-effective, and efficient solution for heavy-duty truck transportation, driving the sustainable transformation of the logistics ecosystem. During the reporting period, CATL's Qiji Battery Swap was honored with the "Good Business - Green Technology Contribution" award at The Year Ahead 2024 organized by BusinessWeek/China.

This Year's Special Topic

Leading the Industry to Realize the Zero-Carbon Goals



Actively Responding to Climate Change

Referring to the framework in the *IFRS Sustainability Disclosure Standards 2 - Climate Related Disclosures (IFRS S2)*, CATL continuously strengthens and discloses its climate change governance system in terms of governance, strategy, risk management, and metrics and targets, laying a solid foundation for the low-carbon transition of both the Company itself and its value chain.

Climate Governance

Mainly considering the issues of climate change and carbon emissions, CATL establishes a climate governance structure based on its sustainable development management system. Its decision-makers and management continuously enhance their knowledge and skills related to climate change, implementing top-down governance on climate-related issues. They invite industry experts and professional institutions to conduct climate-related thematic seminars, providing consultative support for CATL's climate governance decisions.

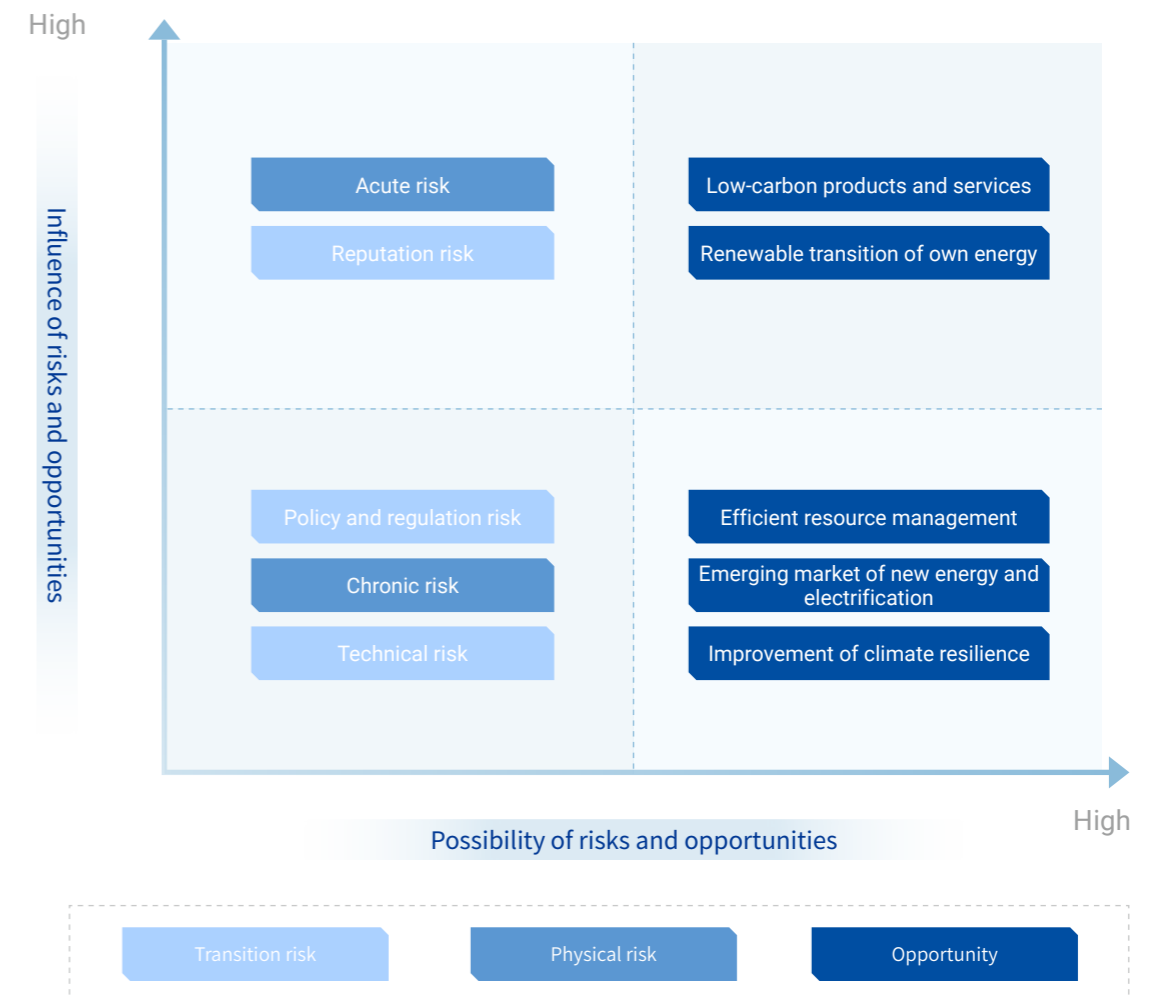
The Board of Directors formulates climate-related strategies and monitors and reviews their progress and fulfillment. The Corporate Sustainability Management Committee (CSMC) is responsible for the identification, sorting, analysis, and management of important climate risks and opportunities. CSMC also manages the annual budget for climate affairs, formulates climate-related goals, and supervises and supports specific tasks, providing guidance and coordinating resources for the related work. It promotes the linkage of senior management remuneration plans with climate change-related indicators, and reports risks and response strategies to the Board of Directors. The Corporate Sustainability Management Council implements the blueprint for specific climate-related work and reports key progress and risk responses to CSMC. CATL has established a cross-organizational special project team responsible for promoting the high-quality implementation of key climate response projects.

The relevant functional departments, branches, and subsidiaries of the Company integrate climate change risk management into their daily work. CATL relies on the relevant energy performance indicators, including energy efficiency improvement, proportion of zero-carbon power, and carbon emission intensity at the manufacturing end, as the focus of climate management appraisal, and incorporates these indicators into the salary incentive policies of the relevant departments, branches, and subsidiaries.

Strategy

Analysis of Climate Risks and Opportunities

Matrix of Climate Risks and Opportunities



Major Climate Risks and Opportunities

Category	Description	Potential Impact		
		Period	Value chain	Financial impact
Physical risk				
Acute risk	Extreme weather events such as typhoons, floods and etc. become increasingly severe, which may result in the depreciation of fixed assets, loss of labor, and supply chain disruptions.	Short-mid term	Internal logistics Production & operation	Cost up ↗ Income down ↘
Transition risk				
Reputation risk	Customers, consumers, and other relevant parties are increasingly focused on CATL's performance in climate change governance. If no positive action against climate change is taken, the Company may fail to meet stakeholders' expectations, which may damage the Company's image and reputation.	Short-mid term	Marketing & sales	Income down ↘
Opportunity				
Low-carbon products and services	In the context of the transition towards a decarbonization economy, the social demand for green and low-carbon products and services may increase. By further developing and providing low-carbon products, services, and solutions, the Company can better adapt to market demand and realize further development.	Long term	Marketing & sales Services	Income up ↗
Renewable transition of own energy	When responding to the regulatory pressure and low-carbon goals at the end market, CATL alleviates the cost pressure of the energy transition by actively developing and continuously expanding renewable energy projects.	Mid-long term	Production & operation	Cost down ↘
Efficient resource management	By carrying out energy management in production and operation, recycling water resources and materials, and promoting green production and logistics, CATL will enhance its resource efficiency and contribute to decarbonization worldwide. An efficient resource management system can avoid waste and reduce the Company's operating cost effectively, while improving its production efficiency and supply capacity.	Mid-long term	Production & operation Inbound and outbound logistics	Cost down ↘
Emerging market of new energy and electrification	In the global carbon neutrality context, the government, customers, consumers, and the community prefer climate-friendly products and services. Emerging markets show extensive demand for new energy and electrification transition. The Company accelerates the development of the emerging new energy market, strengthens cooperation, and provides products and services that meet market demand and expectations in order to achieve the long-term sustainable growth of its business and operating income.	Long term	Marketing & sales Services	Income up ↗
Improvement of climate resilience	The continuous improvement of CATL's climate change response speed and adaptability will help to create climate opportunities. Building infrastructure and cultivating the climate adaptability of the supply chain will improve the stability of the Company's assets and operations. CATL can usher in new opportunities by introducing adaptive projects such as renewable energy and supplying first-class new energy products and services.	Long term	Production & operation Inbound and outbound logistics Marketing & sale Services	Income up ↗

Response to Climate Risks and Opportunities

CATL is committed to promoting the sustainable development of global new energy sources and unwaveringly pursuing three strategic development directions and the four-dimension innovation system. While providing world-class solutions and services for global new energy applications, the Company continuously strengthens its capacity to respond to climate change, integrating climate risks and opportunities into its corporate strategy and decision-making affairs.

In April 2023, CATL unveiled its "Zero-Carbon Strategy" at the Shanghai International Automobile Industry Exhibition, officially announcing the goals of "carbon neutrality in core operations by 2025 and the carbon neutrality of the entire supply chain by 2035". This is currently the most challenging carbon neutrality plan in the industry, which signifies the following: by 2025, all of CATL's battery factories will become "zero-carbon" factories and take the lead in achieving carbon neutrality in the manufacturing sector; and by 2035, CATL will achieve carbon neutrality across its entire supply chain, from mineral resources to battery shipment. Looking ahead, CATL will persist in being propelled by innovation, devoting itself to the R&D of low-carbon products and technologies, and systematically advancing process optimization, energy conservation, and emission reduction. The Company will vigorously embark on renewable energy projects, thoroughly establish a framework for the recycling and utilization of retired batteries, and comprehensively strive towards the attainment of carbon neutrality throughout its operations and supply chain.

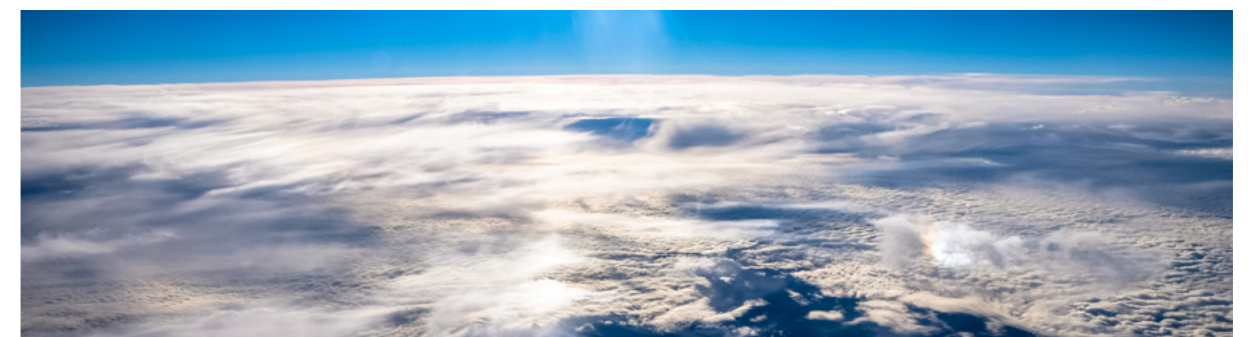
Risk Management

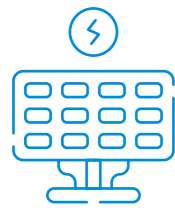
CATL combines its business characteristics, internal and external development environment, and expert opinions to identify climate risks and opportunities of great potential influence, and determine their specific categories and period of impact. CATL comprehensively evaluates the influence of risks and opportunities on investment and R&D, production and operation, products and services, and the value chain, and ranks these climate risks and opportunities by their impact and possibilities.

CATL has developed response policies based on identified climate risks and opportunities, and established special climate-related project teams. Under the leadership of project leaders, these teams carry out specialized planning, regularly track the progress of related actions and plans through weekly and monthly meetings, and conduct annual project target assessments. They continuously explore and optimize their working procedures.

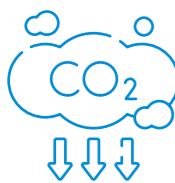
Metrics and Targets

To achieve the goal of carbon neutrality, CATL has strengthened its emission reduction efforts in all aspects. The Company implemented 538 energy conservation measures and saved a total of 585,650,560 kWh of power consumption per year, 28,099,246 m³ of natural gas consumption per year, and 165,863 tons of steam per year. Its energy conservation was equivalent to removing about 440,913.14 tCO₂e emissions. The proportion of zero-carbon power reached 65.43%, an increase of about 38.83% compared to 2022. The added distributed PV installed capacity was 166 MW and the total amount of distributed PV generation reached 241,548.61 MWh throughout the year, equivalent to eliminating 197,103.66 tCO₂e emissions. Compared to 2022, the greenhouse gas emission intensity per product unit decreased by 45.55%. CATL successfully established four zero-carbon factories. Its subsidiary Brunp Recycling recycled 100,000 tons of used batteries and regenerated 13,000 tons of lithium carbonate throughout the year. The Company regularly calculates and discloses its carbon management performance through the annual *Carbon Emission Accounting Report of CATL*.

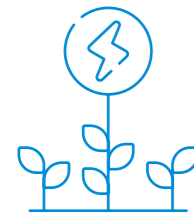




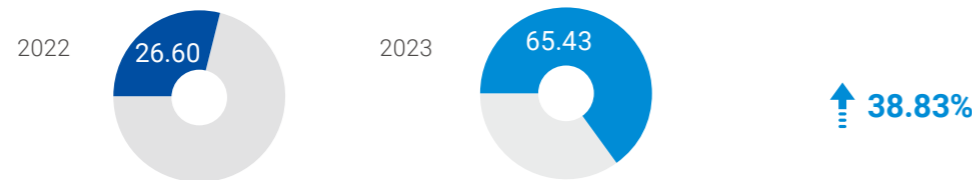
PV generation (MWh)



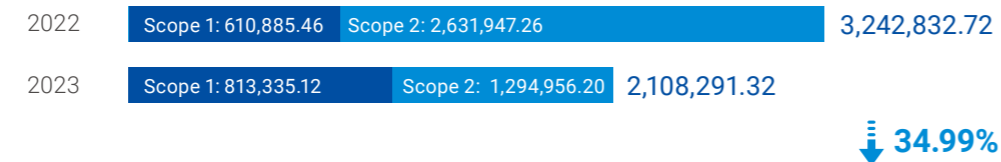
Emission reduction projects promoted annually (No.)



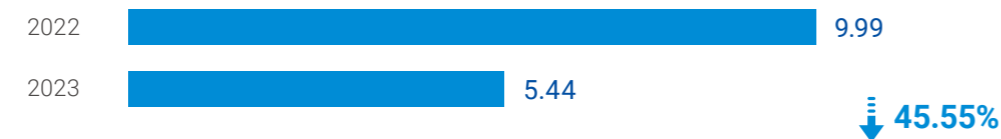
Proportion of zero-carbon power(%)



Total greenhouse gas emissions (tCO₂e)



Greenhouse gas emission intensity (tCO₂e/MWh)



Contributing Green Strength

CATL manages its carbon-related work in an active, firm, and continuous manner, covering carbon emissions management in production and operations, carbon footprint research of products, and management of the carbon emission reduction of suppliers. During the reporting period, the Company officially released its "Zero-Carbon Strategy", which is currently the most challenging carbon neutrality initiative in the global lithium battery industry. Based on the "Zero-Carbon Strategy" and its corresponding action plans, CATL has formed six "Zero-Carbon" special topics, namely "Zero-Carbon" Design, "Zero-Carbon" Factories, "Zero-Carbon" Supply, "Zero-Carbon" Manufacturing, "Zero-Carbon" Power, and Circular Ecosystem, to comprehensively promote the achievement of the goals.

"Zero-Carbon" Design

As the core element of the "Zero-Carbon Strategy", "Zero-Carbon" Design requires integrating the zero-carbon concepts into the Company's product design philosophy and comprehensively considering product quality, efficiency, environmental friendliness, and other multi-dimensional competitiveness, posing extremely high requirements for the Company's frontier innovation capabilities. Fully considering "Zero-Carbon" factors in the R&D of products in new systems, CATL continuously improves its product carbon footprint database, innovatively introduces its Perspective Life Cycle Assessment (Perspective LCA), and evaluates and analyzes indicators such as the carbon footprint, water pollution impact, soil pollution impact, and biological toxicity impact of products at the concept stage and early stages of technology. It vigorously develops low-carbon materials and technologies, and leverages the relevant research achievements to empower its partners on the value chain.



"CATL Carbon Chain Management System" Empowers Development of Carbon Footprint Database for Materials and Products in Lithium Battery Industry Chain

During the reporting period, CATL independently designed, developed, and officially launched the "CATL Carbon Chain Management System". As a platform that integrates carbon emission data collection, modeling, calculation, and analysis, it shares real-time data with the CATL Facility Management System (CFMS), enabling the real-time monitoring of energy consumption and carbon emissions. Relying on CATL's powerful supply chain management system, this platform penetrates various levels of the industry chain, connects with its database and authoritative background databases in the industry, and calculates the carbon footprints of products based on the Life Cycle Assessment (LCA) methodology, thereby providing support for the establishment and improvement of the carbon footprint database for materials and products in the lithium battery industry chain.

"Zero-Carbon" Factories

"Zero-Carbon" Factories stand as the key force for CATL to achieve its goal of "carbon neutrality in core operations by 2025", representing a systematic project that concerns production and operations. CATL actively promotes the utilization of zero-carbon energy, introduces and executes electrification transition, and leverages the intelligent energy management platform to implement targeted measures that enhance energy utilization efficiency. The Company optimizes its production capacity distribution and scheduling plans, and leverages its extensive management experience to comprehensively reduce greenhouse gas emissions throughout its operational processes.



CATL-XJ Practices Green Manufacturing

During the reporting period, CATL-XJ was awarded PAS 2060:2014 Carbon Neutrality Certification by the certification agency SGS, becoming CATL's fourth zero carbon factory and contributing to the "zero-carbon" practice of achieving carbon neutrality in core operations by 2025.

Three Core Pathways to "Zero-Carbon"



Green Energy

- Ensuring 100% use of renewable energy.
- Importing CFMS to monitor the energy consumption status of all equipment in real-time, and collaborating to optimize the total energy consumption of the system and the operating conditions of each equipment unit.



Green Transportation

- Using unmanned logistics vehicles, electric forklifts, and automated guided vehicles (AGVs) to achieve the comprehensive electrification of internal logistics.
- Implementing electric logistics solutions that cover all aspects of the supply chain, production end, and user end.



Green Manufacturing

- Utilizing the Manufacturing Execution System (MES) to realize energy conservation in production lines.
- Implementing multiple energy-saving projects such as the chilled water consumption reduction of the N-Methyl Pyrrolidone (NMP) recovery unit, preventing emissions of 9,521 tCO₂e per year.
- Recycling all manufacturing wastes to reduce the carbon footprint of production.

"Zero-Carbon" Supply

The carbon emissions from the acquisition of raw materials for ternary batteries and lithium-iron phosphate batteries account for about 80% (according to the UNGC's *Whitepaper on Electric Vehicle Battery Carbon Footprint and Low-Carbon Circular Development*), and the supply chain is crucial for reducing the carbon footprint of products. CATL faces significant challenges in communication and management due to its large scale, diversified global layout, complex supply chain system, and diverse carbon emission characteristics across various processes. The Company considers the carbon footprint of raw materials as a crucial evaluation indicator for suppliers, and assists them in optimizing and enhancing their processes. For major positive and negative electrode suppliers, CATL sets targets for the proportion of zero-carbon power consumption and provides technical support for distributed PV projects. The Company gradually introduces new energy vehicles such as electric heavy-duty trucks, coupled with meticulous planning and efficient logistics management, thereby achieving the green transition of its logistics operations.

"Zero-Carbon" Manufacturing

From the perspective of process innovation, "Zero-Carbon" Manufacturing focuses on reducing carbon emission intensity during manufacturing by such methods as optimizing the process requirements and upgrading the equipment. These methods are gradually promoted and replicated across various bases. During the reporting period, CATL followed the principles of the miniaturization, digitization, and intelligence of equipment, and continuously optimized the production line equipment and processes. By introducing proprietary and industry-leading technologies and equipment in its Yichun Base, the Company achieved significant improvements in areas such as formation capacity, mixing, coating, and environmental control. Compared to traditional production lines at full capacity, the energy consumption per product unit at the Yichun Base decreased by about 20%.

"Zero-Carbon" Power

CATL has established a subsidiary, Contemporary Green Energy Co., Ltd., which specializes in developing renewable energy generation projects such as centralized solar, offshore and onshore wind power, and distributed solar energy. It provides solid support for CATL and its value chain in achieving the energy structure transition. As of the end of the reporting period, Contemporary Green Energy had cumulatively obtained permit for centralized renewable energy projects totaling 4,175 MW, including 168 MW in projects under construction and 82 MW in completed and grid-connected projects. For distributed renewable energy projects, this subsidiary possessed 55.03 MW in projects under construction and 145.67 MW in completed and grid-connected projects.

Circular Ecosystem

By recycling batteries and extracting metal elements such as nickel, cobalt, and lithium from used batteries, CATL's process consumes significantly less energy compared to mining and refining virgin materials from mines, effectively reducing the total carbon emissions throughout the battery production lifecycle. The establishment of seamless recycling channels and the development of highly efficient recycling technologies represent significant challenges that the battery recycling industry urgently needs to address. In response, CATL's subsidiary, Brunp Recycling, has launched a comprehensive strategy to establish a robust battery recycling network and production bases. The subsidiary has been relentless in its pursuit of technological breakthroughs, focusing on areas such as battery disassembly, recycling, and smelting processes, material synthesis, and resource exploitation. Through a well-rounded recycling system and cutting-edge recycling technologies, Brunp Recycling is committed to providing the industry with eco-friendly and low-carbon recycled materials.

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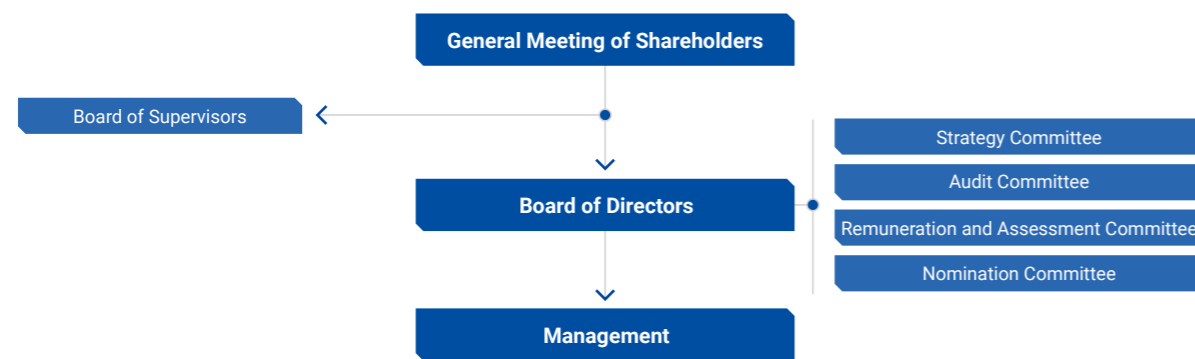
Governance

- Corporate Governance Structure
- Investor Protection
- Internal Control
- Risk Management
- Integrity Construction
- Information Security and Privacy Protection

Corporate Governance Structure

Aligned with the *Code of Corporate Governance for Listed Companies* and the *Shenzhen Stock Exchange Guideline No. 2 on Self-Regulation of Listed Companies - Standardized Operation of Companies Listed on the Growth Enterprise Market*, CATL has implemented a robust corporate governance framework comprising shareholder meetings, the board of directors, and management. This structure features clear delineation of rights and responsibilities, ensuring standardized operations that uphold the fairness and rationality of corporate governance decisions.

Corporate Governance Structure



The Company follows the *Articles of Association* for the selection, appointment, and dismissal of directors and supervisors, granting autonomy to the Board of Directors and Board of Supervisors in decision-making and operational management. A performance assessment mechanism has been established for the Board of Directors to regularly evaluate members' performance, ensuring effective governance. The performance evaluation of Company Directors and Senior Management is conducted by the Board of Directors or its Remuneration and Assessment Committee, which may engage third parties for assessments. Independent directors and supervisors undergo performance evaluations through self-assessment and peer evaluation methods. In the reporting period, the Company evaluated the performance of all board directors.

The Company carefully considers industry experience, background, gender, and other factors when composing the Board of Directors to ensure optimal diversity. Directors serve a three-year term and are selected or changed through shareholder meetings, with the possibility of renewal. During the reporting period, the Company conducted the election of independent directors upon the expiration of their terms. The newly appointed independent directors bring extensive experience in finance and corporate management. The current Board comprises nine directors, including three independents and two female directors. These directors possess diverse professional competencies in areas such as industry, finance, business management, and human resources, backed by substantial industry expertise.

During the reporting period, CATL formulated its *Donation Management System*, *Staff Loan Management Measures*, and *Internal Control and Risk Management System for Hedging Business* in alignment with evolving laws, regulations, and internal circumstances. Moreover, it reviewed and updated 10 corporate governance frameworks, including the *Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure for the Board of Directors*, *Working System for Independent Directors*, and *External Guarantee Management System*. These revisions further clarify and standardize the rights and obligations of shareholders, the Board of Directors, and management within corporate governance. They also address operational guidelines for critical areas such as external guarantees, donations, loans, and hedging, contributing to the ongoing enhancement of the corporate governance structure.

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 the <i>Articles of Association</i> and the <i>Rules of Procedure for General Meetings of Shareholders</i> and reviews and approves the reports of the Board of Directors.
Board of Directors	The Board of Directors shall work in accordance with the <i>Articles of Association</i> and the <i>Rules of Procedure for the Board of Directors</i> , mainly responsible for convening the general meeting of shareholders, implementing its resolutions, and managing the Company's information disclosure. The Company's Board of Directors establishes a strategy committee, an audit committee, a remuneration and assessment committee, and a nomination committee. Each committee carries out its responsibilities diligently in full compliance with applicable laws, regulations, and procedural guidelines, offering valuable support to the Board of Directors' informed decision-making processes.
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 Company's regular report and proposing written opinions, and supervising Directors and Senior Management performance of duties.
Management	The Company's management is tasked with adhering to the <i>Articles of Association</i> and other pertinent policies, faithfully executing resolutions passed by the Board of Directors and the General Meeting of Shareholders, driving business growth and internal operations, and safeguarding the Company's continued and steady progress.

CATL has established a sound system for the assessment and remuneration management of Directors and Senior Management. The Remuneration and Assessment Committee is responsible for designing remuneration plans for Directors and Senior Management and overseeing their execution. Director and supervisor remunerations are determined by the General Meeting of Shareholders. The Board of Directors assesses and approves executive remuneration plans, presents them to the General Meeting of Shareholders, and ensures transparent disclosure.

CATL leverages performance evaluations as a key factor in determining executive remuneration and additional incentives, connecting their compensations to both the Company's overall performance and individual achievements. The assessment criteria for the Company's performance include sales revenue, profit margins, sustainability achievements, and technological innovation leadership.

Investor Protection

In compliance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Shenzhen Stock Exchange Guideline No. 2 on Self-Regulation of Listed Companies - Standardized Operation of Companies Listed 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*, CATL has established an Investor Relations Management System to conduct investor relations activities. This framework aims to uphold investors' rights to information and participation in major Company matters, safeguard the interests of minority shareholders, and offer investors reasonable returns on their investments.

CATL upholds and safeguards the rights of all shareholders as Company owners, consistently convening and conducting shareholder meetings in strict adherence to the *Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, and related regulations. This practice ensures that shareholders have the opportunity to engage in significant CATL decisions as outlined by laws, administrative regulations, and the *Articles of Association*. The Company facilitates convenient arrangements for minority shareholders to partake in voting processes, guaranteeing their equal rights.

The Company ensures shareholders' access to information, fulfilling legal obligations through truthful, accurate, complete, and timely disclosure. Establishing the Investor and Public Relations Management Committee, it fosters open, comprehensive, and effective communication with investors interested in the Company's progress. This endeavor aims to enhance investor understanding and appreciation of the Company while fostering a constructive interaction mechanism.

Channels of Communication with Investors



CATL promptly releases company updates through its official website and WeChat account, engaging investors via platforms like the Shenzhen Stock Exchange interaction platform (Hudongyi), investor hotline, email, on-site surveys, and performance briefings. Soliciting feedback from investors, CATL conducted nine performance briefings, communicated via p5w.net, and conducted offline investor surveys during the reporting period. CATL addressed more than 300 questions on online platforms, with over 2,100 institutions and 9,000 investors participating in investor communication activities.

In order to standardize related-party transactions and minimize those that are unnecessary, as well as to prevent the Company's controlling shareholders, actual controllers, directors, supervisors, and senior management from exploiting related-party transactions to the detriment of the Company and minority shareholders, the Company has established detailed regulations within the *Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure for the Board of Directors*, *Working System for Independent Directors*, and *Related-Party Transaction Management System*. These regulations cover the scope, review, disclosure, and avoidance procedures for related-party transactions, ensuring equitable decision-making for all shareholders.

Throughout the reporting period, the Company's related-party transactions were standard business dealings essential for the Company's regular production, operations, and business growth. These transactions adhere to the principle of fair market practices, offering fair and reasonable prices, and undergo the requisite decision-making processes with full information disclosure. Independent directors, the Board of Supervisors, and sponsoring institutions have provided their audit assessments. There have been no instances of utilizing related-party transactions to detrimentally impact the interests of Company shareholders, including minority shareholders.

Meanwhile, CATL places significant emphasis on maximizing investors' returns. Beyond generating economic gains through heightened R&D initiatives and continual production scale expansion, the Company has devised a sound profit distribution strategy to allocate dividends in accordance with yearly performance and operations, actively benefiting shareholders. Since its inception, CATL has disbursed RMB 9.105 billion to shareholders. In the current reporting period, the Company achieved a gross revenue of RMB 400.917 billion, marking a 22.01% year-on-year increase, while the net profit attributable to listed company shareholders reached RMB 44.121 billion, up by 43.58% year-on-year. Demonstrating a commitment to rewarding all shareholders and sharing the Company's operational achievements, CATL has proposed the distribution of annual cash dividends and special cash dividends amounting to RMB 50.28 (including tax) per every 10 shares to all shareholders in this reporting period, totaling RMB 22.06 billion in cash dividend distributions.

Internal Control

The Board of Directors establishes, improves, and executes an internal control system, while management oversees and guides daily internal control operations. The Board of Supervisors, in turn, monitors the internal control efforts of the Board of Directors. Within the Board of Directors, there exists an Audit Committee responsible for facilitating communication, oversight, and validation of both internal and external audits, as well as assessing the effectiveness of internal controls. This committee comprises three non-executive directors, with at least two independent directors, and a minimum of one independent director possessing expertise in accounting. On a quarterly basis, the Chairman of the Audit Committee convenes and presides over committee meetings, reviews audit reports, and monitors the implementation of audit plans.

During the reporting period, CATL prioritized risk management and created an annual audit plan based on its development strategy, business objectives, and regulatory requirements. Audits were conducted across the Company's headquarters and subsidiaries, covering key areas like sales, procurement, capital activities, asset management, engineering projects, guarantee services, and IT systems. This helped to standardize governance, enhance internal controls, and support major management decisions. CATL also set up a *Closed-loop Management System for Audit-based Rectification*, focusing on addressing internal control issues identified during audits. Through effective communication and action plans, the Company promotes continuous improvement in management practices. Quarterly reports, including audit-based rectification tracking reports, are shared with the Board of Directors and management for review.

During the reporting period, CATL actively promoted internal control and risk management systems to strengthen corporate governance, enhance internal controls, and raise awareness of compliance and risk prevention among all employees. The Company aligned its efforts with the *Basic Standard for Enterprise Internal Control* and the *Application Guideline for Enterprise Internal Control* issued by the state, focusing on importance and comprehensiveness. Following the annual audit plan, CATL developed and issued five internal control guidelines and nine self-inspection procedures covering areas such as sales, procurement, contracts, asset management, and business outsourcing. These initiatives have significantly enhanced the internal control compliance management system.

During the reporting period, CATL conducted internal control assessments and training in accordance with the Company's internal control system and specified procedures outlined in the internal control evaluation method. The evaluation covered various key aspects of the business, including development strategy, organizational structure, social responsibilities, corporate culture, human resources, procurement, sales, asset management, fund activities, guarantee management, external investments, related-party transactions, contract management, financial reporting, research and development, engineering projects, information systems, business outsourcing, subsidiary oversight, information disclosure, internal communication, and supervision. Following a thorough assessment, no major defects were identified in the Company's internal controls for both financial and non-financial reporting as of the evaluation report's base date.



Risk Management

In its ongoing commitment to risk management, CATL has put in place risk management policies aimed at identifying and analyzing risks, establishing suitable risk tolerance levels, and developing relevant internal control measures. The Company routinely evaluates these policies and associated internal control systems to stay responsive to market dynamics and evolving business operations. Through routine or random checks, CATL's internal audit department ensures that the internal control system aligns with the established risk management policies.

CATL develops the risk management system from such aspects as risk identification and assessment, risk prevention and crisis management, and risk culture.

CATL has formulated a structured approach to risk identification and assessment, categorizing the entire company into three levels to pinpoint nine critical risk areas. These include compliance risk, information security risk, production safety risk, and employment risk. Within these areas, the Company has delineated 73 specific items across mechanisms, systems, and measures. CATL conducts risk assessments annually, leveraging evaluation outcomes to formulate enhancement strategies. Focusing on pivotal risk domains, the Company has introduced the *Trade Compliance Management Policy*, *Data Compliance Management Policy*, and *Anti-monopoly Compliance Policy*, refining its institutional framework. CATL proactively monitors domestic and international legislative developments, identifies emerging risks that could impact its operations, and implements proactive measures to address them.

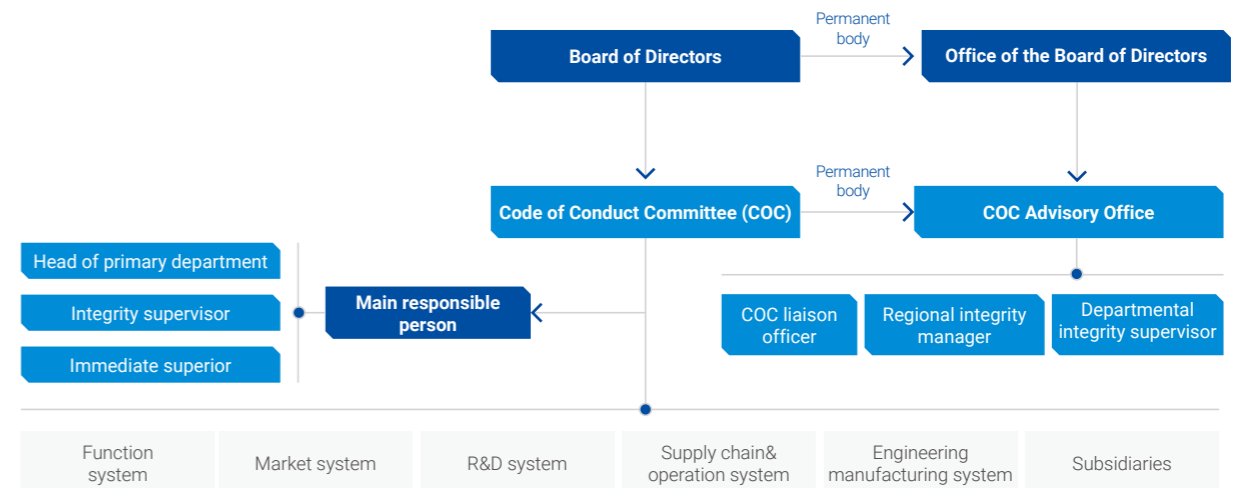
During the reporting period, CATL developed a risk information database for risk prevention and crisis management. By assessing inherent risks and engaging with various business departments, the Company categorized risks and identified control measures while highlighting areas for enhancement. The establishment of this database specifically targeted employment, information security, and compliance aspects. Additionally, CATL devised 16 risk management plans and implemented a comprehensive crisis management system. This system encompasses pre-event prevention, in-event response, and post-event review processes, along with criteria for classifying and grading crisis events and determining appropriate responses. Such measures enable CATL to effectively execute emergency responses, decision-making procedures, incident handling, post-event rectification, and optimization strategies, ultimately mitigating the escalation of crises and minimizing the adverse effects or damages resulting from such events.

CATL has established a comprehensive training program to enhance employees' understanding of risk management and control, catering to individuals at different career stages. This initiative combines internal and external training resources to bolster awareness. New hires undergo mandatory safety and factory-level safety training. Additionally, specialized training in Risk Management and Internal Control is provided to boost employees' knowledge in this area. The Company integrates the management of significant workplace safety risks into employee performance evaluations and actively encourages staff to report risk incidents through various channels, including direct communication with the Compliance Management Department and providing feedback to their departments. These efforts are aimed at fostering greater employee engagement in CATL's risk management practices.

Integrity Construction

CATL strictly follows the principle of compliant operations. In order to foster a work environment characterized by "compliance, integrity, and honesty", the Board of Directors has instituted the Code of Conduct Committee (COC). This committee is tasked with overseeing the development of integrity across various systems, branches, and subsidiaries of the Company. The COC is responsible for shaping the Company's integrity policy, devising thorough rules, regulations, and procedures with a focus on anti-corruption and business ethics. It also handles the investigation of employees who breach the Company's Code of Conduct and reports directly to the Board of Directors.

CATL's Integrity and Compliance Organization Structure



During the reporting period, CATL has appointed overseas regional integrity managers in Europe, Asia Pacific (excluding the Chinese mainland), and North America to support business expansion needs. These managers are tasked to carry out integrity initiatives per the legal requirements and the cultural nuances of their respective regions. Vital to the integrity management of subsidiaries and branches, regional integrity managers lead efforts to help these entities establish and enhance integrity systems and preventive measures based on CATL's anti-corruption policy of "dare not, cannot, would not" engage in corrupt practices. Their responsibilities include organizing, guiding, and supporting subsidiaries and branches in conducting integrity awareness and education campaigns, as well as overseeing and investigating integrity compliance.

Based on the ISO 37001 Anti-bribery Management System, CATL improves anti-bribery management from such aspects as integrity system construction, fraud risk assessment, integrity culture education, and integrity supervision mechanism.





System Construction	Centering on the <i>Code of Conduct</i> , CATL has constructed a comprehensive supervision and management system involving 16 aspects such as integrity supervision, integrity behavior norms, management of supervisory personnel, and management of integrity supervisors. During the reporting period, CATL revised the <i>Code of Conduct</i> , <i>Provisions on Protection and Reward of Whistleblowers for Violation of Laws and Regulations</i> , and <i>Provisions on Suspending the Promotion of Ranks and Positions of Employees Suspected of Violations of Laws and Regulations</i> . It established new systems such as the <i>Provisions on the Management of Supervisory Personnel (Trial)</i> and the <i>Provisions on the Management of Departmental Integrity Supervisor (Trial)</i> . The Company has revised and added nearly 10 new regulations in total.	
	<p>Company Employees</p> <p>CATL has issued several documents such as <i>Six Prohibitions on CATL Employees from Corruption</i>, <i>Provisions on Accepting Gifts and Money by CATL Employees</i>, and <i>Employee Integrity Handbook</i> to regulate employee behavior. The Company requires all employees to sign the employee integrity agreement, and employees above the engineer level must take the initiative to report any conflict of interest.</p> <p>During the reporting period, all employees signed the integrity agreements, and all conflicts of interest were reported.</p>	<p>Suppliers</p> <p>CATL has developed a <i>Supplier Code of Conduct</i> and mandates all suppliers to sign the <i>Supplier Integrity Commitments</i> during the approved stage. Anti-corruption due diligence has been integrated into the supplier management process. Suppliers found to be in breach of these Commitments face potential consequences including qualification downgrade, liquidated damages payment, cooperation termination, and blacklisting.</p>

Risk Assessment	<p>Risk Identification and Assessment</p> <p>CATL has established a systematic anti-bribery risk identification and assessment mechanism to detect and address potential fraud risks at the Company's headquarters, subsidiaries, and branches through ongoing business research.</p> <p>During the reporting period, in alignment with the ISO 37001 standard, CATL identified stakeholders, refined its anti-bribery management system, identified risks, and developed risk control measures. Internal audits and management reviews were conducted across all departments to strengthen the anti-bribery management system. Targeted prevention measures were implemented in eight key departments. The supervision team actively conducted business research in 26 first-tier organizations, contributing to the enhancement of more than 20 processes.</p>	<p>Monitoring of Key Areas</p> <p>CATL assigns departmental integrity supervisor in high-risk departments to assist key departments in improving various processes and making prevention efforts, promoting business development. Focusing on "key minorities" for supervision, they promote a management system with a policy of "dare not, cannot, would not be corrupt".</p> <p>Every six months, regional integrity managers investigate key subsidiaries and branches within their respective regions, assess fraud risks, and gain an understanding of the control status of business processes and critical links. They improve and refine processes and systems against any issues identified in aspects such as personnel management, asset management, bidding, and procurement.</p>
	<p>Through integrity culture education, guide employees to recognize and practice integrity culture, publicize the Company's achievement in integrity education to internal and external stakeholders, and encourage partners to actively honor their integrity commitments.</p> <p>Company Employees</p> <p>Valuing the integrity culture, CATL strives to make integrity culture increasingly ingrained in the minds of employees through innovative and distinctive projects, as well as diversified, regular, and differentiated promotional efforts.</p> <p>During the reporting period, CATL held the Thematic Seminar on Trade Secret Protection with four organizations including the Enterprise Anti-Fraud Alliance. More than 200 representatives from the business, academic, and judicial sectors attended the meeting to jointly discuss the experience of protecting trade secrets. This seminar offered practical insights for the industry, contributing to the ongoing enhancement of relevant legislation, while also providing new perspectives for enterprises to comprehend and address legal matters concerning trade secrets.</p> <p>CATL created the integrity-themed microfilm "Xin Shu", which received over 50,000 views and earned praise from employees and peers. Focusing on innovative forms for integrity education and promotion, the Company offers provides tailored integrity training for new employees, key positions, and middle to senior management. It also innovates examination methods, distributes the <i>Anti-corruption Guidelines - Self-discipline Learning Collection</i>, and fosters a positive work environment. All departments and subsidiaries of CATL actively develop innovative projects to promote an integrity culture, leading to over 20 initiatives, including integrity knowledge challenge competitions and integrity painting and calligraphy exhibitions. Additionally, the Company has gradually standardized integrity practices across subsidiaries and branches by formulating the <i>Handbook for Integrity Construction of Subsidiaries and Branches</i> and the <i>Guidelines for Integrity Construction of Subsidiaries and Branches</i>, collaborating with them to enhance quality and efficiency continuously.</p> <p>During the reporting period, CATL organized over 20 major promotional and educational training activities at the corporate level, including integrity months, themed event days, and charity bazaars, reaching over 140,000 individuals.</p>	<p>Suppliers</p> <p>CATL has established a supplier anti-corruption training and communication mechanism to strengthen the capacity building of suppliers in anti-corruption efforts. Through communication with suppliers, the Company gains insights into its anti-corruption management issues.</p> <p>During the reporting period, CATL conducted special training sessions on sustainability for suppliers, targeting a total of 121 general managers and director-level management personnel from 48 key suppliers of core production materials. The training focused on sharing the Company's expertise in anti-bribery management practices.</p> <p>CATL conducted on-site interviews with 23 suppliers to gain an external perspective on its anti-corruption management. It identified and rectified over 10 integrity-related issues.</p>

Supervision Mechanism	<p>Every production base undergoes a "business ethics and anti-fraud" audit at least once every three years. During the reporting period, CATL conducted internal anti-bribery audits for all departments following the ISO 37001 system.</p> <p>Carry out special audit work on fraud risks as required.</p> <p>Establish a coordination mechanism with a local judicial office to seek professional support if necessary.</p>
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CATL offers diverse and independent reporting channels, such as email, telephone, WeChat, and fax, to facilitate comprehensive reporting. It accepts complaints or reports from employees, partners (customers, suppliers, etc.), and the general public regarding suspected violations or criminal activities 24/7. Information on reporting channels is available on the Company's official website and is communicated to all employees through internal email, training, and bulletin boards.

Reporting Channels

	Reporting Email	CATL-COC@CATL.com		Reporting Fax	0593-8903598
	Reporting Hotline	19959356699 (also a WeChat account)			
	Reporting Address	No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian, P.R. China COC Advisory Office, CATL Technology Building			

CATL encourages our employees, partners (customers and suppliers), and the public to report suspected illegal and criminal acts in accordance with the law. The Company has established a reward fund for such reports and offers rewards based on the nature of the reported violations. Additionally, partners who proactively report violations may receive immunity and the right to maintain cooperation.

COC will assess the reported information. Cases involving clear violations of laws or regulations will be registered and investigated by COC. The Company adheres to the *Provisions on Protection and Reward of Whistleblowers for Violation of Laws and Regulations*, ensuring standardized protection mechanisms for whistleblowers and safeguarding their rights and interests. CATL protects whistleblowers through confidential management measures, such as limiting access to information and assigning designated personnel to handle reports. Individuals found to retaliate against whistleblowers will face serious consequences, including reporting to judicial authorities if criminal activity is involved. The Company has intensified efforts to investigate and discipline employees violating laws and regulations. In the reporting period, 28 internal violations and fraud cases were investigated, resulting in punishment for 26 individuals, including five referred to judicial authorities. CATL has introduced a COC intelligent case handling system, utilizing big data to enhance analysis capabilities and achieve electronic and standardized case management.

CATL enhances compliance by actively engaging in external industry alliances. The Company demonstrates a proactive approach, sharing its expertise through specialized courses, seminars, and industry exchanges with peers in anti-fraud practices. Recognized by the Enterprise Anti-fraud Alliance for CATL's achievements, contributions, and influence in anti-fraud over the past five years, CATL was recently promoted to a vice president member at the Third Enterprise Member Representative Conference held by the Guangdong Enterprise Institute for Internal Controls and the Enterprise Anti-Fraud Alliance Working Committee. During the reporting period, the Company participated in over 10 specialized trainings organized by the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance. It took part in the second "Private Enterprise Integrity and Compliance Innovation Award", where it was honored with the Enterprise Innovation Award and the Project Innovation Award. The Company jointly organized a seminar on the protection of commercial secrets in Ningde City with the Enterprise Anti-Fraud Alliance.

Information Security and Privacy Protection

Information Security Management System

CATL consistently upholds the information security policy of "Focus on Risks, Put Prevention First, Strengthen Awareness, Combine Technologies with Management, Involve All the Staff". The Company places significant emphasis on information security management, drawing on international best practices in its operational activities. By establishing a comprehensive data security management system that meets regulatory standards and ensures full coverage, CATL has laid a robust foundation for information security, benefitting both domestic and international clientele.

CATL strictly abides by the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation (GDPR)* of the European Union, and other national or regional laws and regulations to conduct business. As business operations expand rapidly, CATL has broadened its information security management oversight to encompass both upstream and downstream supply chains.

CATL has established the Security and Secrecy Committee (SSC) along with its subsidiary, the Security and Secrecy Office (SSO), which consists of five specialized teams. These teams are responsible for security strategy decision-making, security technology research, security intelligence analysis, security scheme implementation, and security incident response. They carry out specific tasks across all CATL production bases with support from external consulting, testing, and auditing agencies. By the end of the reporting period, a total of 15 certified subsidiaries including CATL, CATL-JS, and CATL-SC, had successfully obtained ISO/IEC 27001 information security management system certification. Additionally, CATL, CATL-JS, CATL-SC, CATL-FD, CFBC, UABC, and CATT achieved the highest-level Trusted Information Security Assessment Exchange (TISAX) assessment AL3.



Information Security Management System

System Construction

- **Internal management documents:** *Personal Information Protection Management Procedure, Compliance Management Procedure of Laws and Regulations, and Instructions for Management of External Personnel Visits.*
- **Confidentiality agreement:** Upon joining the Company, all employees are mandated to sign a *Confidentiality Agreement*. Engineers and higher-ranking personnel are subjected to even more stringent 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 defined rules.
- **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:** Enhance the safeguarding of classified data to prevent unauthorized access or visits.
- **Zero-trust:** In response to security challenges in the AI era, CATL innovatively implemented a zero-trust security system. This system has introduced a network security access protection architecture and a data security framework that covers cloud, edge, and terminal devices.
- **Server host intrusion detection system:** During the reporting period, the Company deployed this across all its hosts. This system covers over 100 intrusion detection scenarios, effectively countering the increasingly sophisticated and evolving new intrusion techniques. It achieves precise detection, second-level response, and automatic alarm.
- **Honeypot system:** CATL has established a comprehensive deceptive defense system, which simulates one or more vulnerable hosts or applications to attract or confuse attackers and obfuscate attack targets. This system effectively identifies the attack behavior of intruders. During the reporting period, the system traced the origins of various attacks and established 12 detailed attacker profiles.
- **Web Application Firewall (WAF):** Web applications stand as key targets for attackers. CATL provides security, compliance, and stability for web applications via WAF. During the reporting period, WAF intercepted over 120,000 malicious requests in total.
- **Attack-defense exercise:** CATL engages third-party entities to conduct comprehensive attack-defense exercise within the Company. During the reporting period, CATL conducted four rounds of such exercises, identifying and remedying over 100 high-risk vulnerabilities, significantly enhancing the overall level of network security protection.

Supplier Management

- **Supply chain information security review:** Regularly conduct audits on the information security of the supply chain, addressing aspects such as information security organization and strategy, personnel management, physical security, data security, and handling of information security incidents. This process helps in pinpointing information security risks and guiding suppliers in making necessary improvements. During the reporting period, information reviews of 178 suppliers were conducted.
- **Information security protection training:** Provide suppliers with information security training through "*Confidentiality Agreements*" and "*Instructions on Supplier Security and Confidentiality*", and conduct assessments.
- **Supplier exit process:** CATL automatically withdraws the permissions of suppliers via the IT system when they exit.

Cultural Construction

- **Information security study and examination:** Provide information security training and assessments for all employees, including new hires on their first day. During the reporting period, CATL conducted information security training and examinations, with a total of over 280,000 participants, covering all employees with an examination pass rate of 100%.
- **Phishing email testing:** During the reporting period, CATL conducted a company-wide phishing email testing every quarter.
- **Recognition of advanced organizations and individuals:** CATL Presents awards to organizations and individuals that make outstanding contributions to information security. During the reporting period, CATL presented awards to organizations and individuals with excellent information security performance at the Company's management review meetings.
- **Performance assessment:** CATL includes employees' information security violations in their promotion assessment, and those who receive written warnings will not be eligible for promotion for at least six months.



CATL has established a sound information security audit system and comprehensively assesses data security compliance in all subsidiaries and branches in China. During the reporting period, the Company underwent a total of 19 internal information security audits and 18 third-party information security audits.

Information Security Audit Categories and Frequencies

Audit Category	Frequency
Internal audit of information security management system	Once a year
Third-party institution ISO/IEC 27001 review	Once a year
Third-party institution TISAX certification	Once three years

In order to promptly identify and address information security vulnerabilities, CATL has established a feedback channel for reporting such issues. Employees who report security and confidentiality vulnerabilities and contribute to strengthening security and confidentiality measures are rewarded financially per the *Instructions on Supervision, Reward, and Punishment*.

Information Security Issue Feedback Channel

Mini-program Internal Information Communication Platform
Email SSO@catl.com

Tel 0593-2058110

Privacy Protection

In the course of its daily operations, CATL may need to gather and handle the personal information of employees, visitors, and partners. This includes activities like collecting and utilizing personal data, transmitting personal information across borders, and engaging third-party processing services. The Company adheres strictly to the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, EU GDPR, and other relevant laws and regulations. It also enhances data compliance management practices.

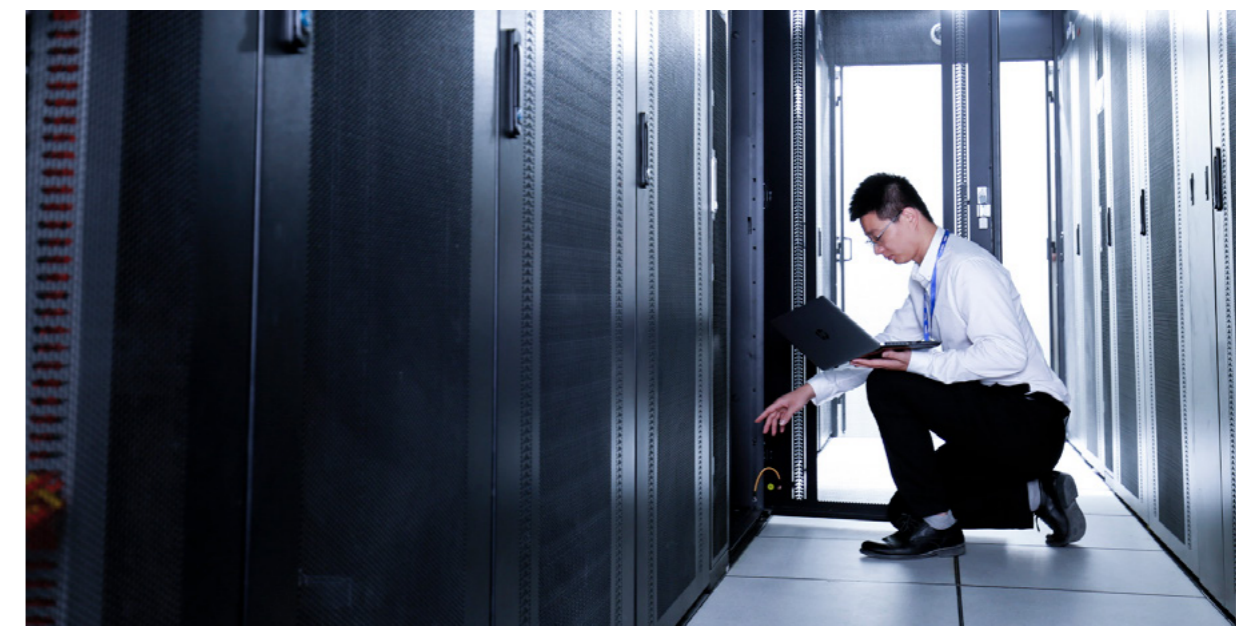
The Company integrates data and privacy compliance efforts within its compliance management framework. This includes actively tracking and interpreting laws and regulations, building institutional systems, conducting compliance risk assessments, performing compliance reviews, and providing compliance training.

During the reporting period, CATL updated its *Personal Information Protection Management System* and the *Guidelines for External Sharing of Employee Information*. It officially launched the *Internal and External Employee Information Application Process* to strengthen the compliance of personal information disclosure processes. When disclosing employee information, the Company must obtain individual consent from the relevant employee and execute a *Data Sharing Agreement* or *Data Entrustment Agreement* with the third party. Additionally, the Company will create a personal information protection impact report and store it alongside other pertinent documents for future reference.

CATL assesses data compliance per laws and regulations. The scope of such assessments includes, but is not limited to, the external sharing of personal information and various systems/frameworks. The primary aspects of the assessments focus on the impact on the rights and interests of personal information subjects and the adequacy of the security measures adopted. During the reporting period, the Company assessed data compliance for 80 times. It offered training sessions on personal information protection, GDPR, and the *Personal Information Protection Law of the People's Republic of China*, catering to all employees and personnel from specific departments. These training sessions totaled 1,600 hours.

When entrusting a supplier to process data, CATL requires the supplier to sign the *Agreement on Entrusted Data Processing*, to clarify both parties' obligations in personal information protection and reach an agreement on the 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.



02




Operation


- Supply Chain Management
- Product Quality and Safety
- Intelligent Manufacturing and Lean Management
- Customer Relationship Management
- Intellectual Property Right Protection
- Fair Competition

Supply Chain Management

Sustainability Management of the Supply Chain

CATL continually enhances its supply chain sustainability management capabilities by integrating sustainable development principles into its supply chain management system. It conducts environmental and social responsibility risk assessments for suppliers and actively promotes carbon emission reduction throughout the industry chain, thereby supporting sustainable development transformation efforts.

 <p>System Construction</p>	<ul style="list-style-type: none"> CATL has formulated the <i>Supplier Code of Conduct</i>, encompassing standards related to labor practices, health and safety, environmental protection, compliance management systems, and business ethics. The Company requires all Chinese suppliers commit to the <i>Supplier Code of Conduct</i> by signing relevant documents. During the reporting period, all suppliers within the management scope signed documents on the <i>Supplier Code of Conduct</i>. CATL includes SHE, integrity, and responsible supply chain management clauses in the procurement framework contract, covering all suppliers. CATL has formulated the <i>Sustainability Agreement</i>, which requires all cathode and anode suppliers, along with the top three suppliers of key aluminum product categories, to adhere to defined criteria regarding product carbon footprint, the utilization of zero-carbon power, the incorporation of green aluminum, and the integration of recycled materials.
 <p>Audits and Risk Assessment</p>	<p>Supplier Approved Audit</p> <ul style="list-style-type: none"> In the supplier approved stage, CATL assesses supplier qualification satisfaction by conducting multiple audits aligned with the standards of IATF 16949, ISO 9001, and ISO 14001, as well as local labor and environmental regulations. These assessments include criteria such as environmental protection, critical mineral usage, child labor prevention, working hour regulations, business ethics, and integrity, in accordance with the aforementioned standards and local laws. To enhance the detection of supplier corruption and risks associated with related-party transactions, CATL integrates external query interfaces and supplier association tables into its supplier relations management system. <p>CREDIT Audit Means</p> <ul style="list-style-type: none"> The "CREDIT" value chain sustainability audit program of CATL involves six modules: sustainability governance system, business ethics, environmental protection, labor practices, sustainable procurement, and critical mineral management. CATL establishes a corrective action mechanism for CREDIT audits and assigns supplier sustainability management risk levels via audit findings, offering improvement recommendations to suppliers based on these results. During the reporting period, CATL conducted on-site audits on a total of 60 suppliers.
 <p>Supplier Sustainability Performance Assessment</p>	<ul style="list-style-type: none"> CATL integrates green and low-carbon initiatives, social responsibility, and other ESG-related metrics into the supplementary scoring system for evaluating supplier performance. These metrics encompass the ratio of carbon reduction, the use ratio of zero-carbon power consumption, the use ratio of green aluminum, the use ratio of recycled materials, and the responsible management of critical minerals. CATL offers incentives to suppliers demonstrating exceptional sustainability management, including prioritizing those with outstanding sustainable development performance when their technical capabilities meet the stipulated criteria. CATL offers sustainability awards at the Supplier Conference and annually selects suppliers with excellent sustainability management performance. CATL issues a corrective plan for non-conformities for suppliers with poor sustainability management performance and supervises their rectification.



Improvement of Sustainability Capabilities

Supplier Training

During the reporting period, CATL conducted themed training for suppliers of cathode and anode materials, copper foils, and aluminum products, covering themes such as product carbon footprint, corporate carbon emissions, zero-carbon power, recycled aluminum, and responsible minerals. A total of 60 suppliers participated in these trainings.

Training for Procurement Personnel

During the reporting period, CATL conducted six training sessions for all employees of the Procurement Department, including themes such as "LCA verification methods", "principles and methods of product carbon footprint accounting", and "principles and operations of carbon chain system".

During the reporting period, CATL leveraged digital technology to establish a comprehensive supply chain compliance traceability system, encompassing both internal and external traceability. The primary goal is to meticulously trace and document every stage of product production and supply chain management to ensure adherence to relevant regulations and standards. Internal traceability focuses on the Company's production process, providing detailed traceability for stages from raw material procurement, manufacturing, packaging, to internal logistics, thereby ensuring compliance, quality control, and traceability throughout the production process. External traceability, on the other hand, centers on raw material sourcing, supplier compliance, and overall supply chain traceability, guaranteeing that the Company's selected partners and suppliers comply with relevant regulations and standards, thereby enhancing transparency and quality management across the entire supply chain. Through the combined impact of internal and external traceability, the Company effectively manages the entire product production process, ensuring product quality and compliance while meeting market and regulatory requirements for product traceability.



Due Diligence Management of Responsible Mineral Supply Chains

CATL adheres to ethical procurement practices for mineral resources including nickel, cobalt, manganese, lithium, graphite, mica, copper, and aluminum, which are utilized in its production and operations. The Company pledges not to source minerals from conflict areas and explicitly mandates its suppliers to refrain from using such resources or violating company policies in this regard.

CATL is committed to abide by the *Guidelines of China for Due Diligence Management of Responsible Mineral Supply Chain* issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers and Exporters (CCCIMC), the *Guidelines of OECD for Due Diligence Management of Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* issued by the Organization for Economic Co-operation and Development (OECD Guidelines), and the regulations of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, involving management of the minerals tantalum, tin, tungsten and gold minerals in conflict-affected areas. These are also included into the contracts or agreements signed with mineral resource suppliers, ensuring that all products of the Company and the supply chain refrain from mineral resources that may be a catalyst for conflicts and/or violate CATL's *Due Diligence Management Policy for Responsible Mineral Supply Chain*.

In order to mitigate risks that could significantly impact the mining, trading, processing, and export of minerals in conflict-prone and high-risk regions, the Company has implemented a robust due diligence management system for responsible mineral supply chains. This system is developed in alignment with the *Guidelines of China for Due Diligence Management of Responsible Mineral Supply Chain* and *OECD Guidelines*. Additionally, the Company has devised the *Management Policy for Sustainable Development of the Supply Chain*, the *Due Diligence Management Policy for Responsible Mineral Resources Supply Chain*, and the *Complaint Mechanism for Responsible Mineral Supply Chain*. These measures aim to enhance the governance of the mineral resources supply chain, while actively managing and minimizing risks to the sustainable development of the supply chain.

The Due Diligence Management Process of the Responsible Mineral Supply Chain

Management system

- Establish a Supply Chain Sustainability Management Committee that manages the establishment of a responsible supply chain in a systematic and standardized way.
- Formulate the *Due Diligence Management Policy for Responsible Mineral Resources Supply Chain*.
- Create a due diligence plan and provide annual training on the due diligence management system to key employees across all relevant departments. Alternatively, offer training on responsible supply chain management and policy interpretation to employees entering related fields.

Risk Identification and Assessment

- Annually conduct thorough investigations on all primary suppliers of anode and cathode materials, including incorporating due diligence measures as part of the assessment process.
- Formulate the procedures for the identification of Conflict-Affected and High-Risk Areas (CAHRA) and the implementation process of the supplier questionnaire (Know Your Supplier, KYS).
- Regularly collect supply chain maps from relevant suppliers and engage a third party to conduct annual due diligence on the supply chain, identifying upstream mineral supply chain areas and associated risks using the CAHRA program and KYS process.
- Mandate suppliers to furnish origin details for each significant transaction, ensuring transparency regarding transaction source, transportation route, and the identity and whereabouts of the primary supplier.

Risk management

- Transmit timely information to the Supply Chain Sustainability Management Committee through the internal upgrading mechanism.
- Coordinate timely on-site audits for high-risk environments in the supply chain, and supervise suppliers to implement corrective measures.

Audits and Supervision

- Collaborate with downstream customers to conduct due diligence audits, and engage a third-party to conduct responsible mineral due diligence audits within the upstream supply chain.
- An accredited third-party entity will conduct responsible mineral due diligence audits, adhering to established standards outlined in the supply chain map provided by suppliers.
- Promptly deliver the audit evaluation findings to the Supply Chain Sustainability Management Committee, providing comprehensive explanations regarding pertinent information and the actual and potential risks associated with high-risk supply chains.
- Develop a remediation plan and regularly monitor the progress in addressing the issues identified during the audit.
- Provide one-on-one training to suppliers, and assist them to improve their ability to conduct due diligence on the upstream.

Information Disclosure

- Since 2020, CATL has regularly published its *Due Diligence Report on the Responsible Mineral Supply Chain* (from 2021, it will be disclosed together with the ESG report).
- Documentation and reports pertaining to the responsible mineral supply chain due diligence management must be retained for a minimum of five years. They shall be accurately utilized, securely stored, and made accessible in the Company's internal database.

CATL continues to broaden the reach of its due diligence audits within the responsible mineral supply chain. These audits encompass suppliers of essential materials like nickel, cobalt, manganese, lithium, natural graphite, copper, aluminum, and mica. The range includes suppliers of ternary cathode materials, ferrophosphorus cathode and anode materials, current collectors, mica plates, and aluminum shell top covers. Based on the audit outcomes, CATL classifies suppliers as either high-risk or low-risk, devises corrective action plans for identified issues, and oversees the progress of rectification.

During the reporting period, CATL delegated a third party to conduct audits on 70 suppliers, covering direct suppliers, refineries, smelters, and mines. No indications of concerning practices such as child labor, inhumane treatment, forced labor, armed conflict, or ecological harm were identified.

CATL, as a participant in the Responsible Critical Mineral Initiative (RCI), plays an integral role in establishing a communication and collaboration platform within the RCI framework. The Company facilitates the exchange of information and experiences among both upstream and downstream suppliers in the critical mineral supply chain. CATL is also actively involved in developing, implementing, and managing risk, as well as in internal and external communication efforts related to due diligence management evaluation standards for the critical mineral supply chain. These initiatives are geared towards fostering the development of a responsible critical mineral supply chain.

Apart from enhancing its own management practices, CATL enters into sustainable development agreements with its suppliers and explicitly mandates them to communicate this initiative to their sub-suppliers. For the responsible mineral module, the Company conducts one-on-one training for key suppliers to enhance their abilities of responsible management in the mineral supply chain. The Company holds a collective training on responsible mineral management for suppliers at least once a year.

Supply Chain Quality Management

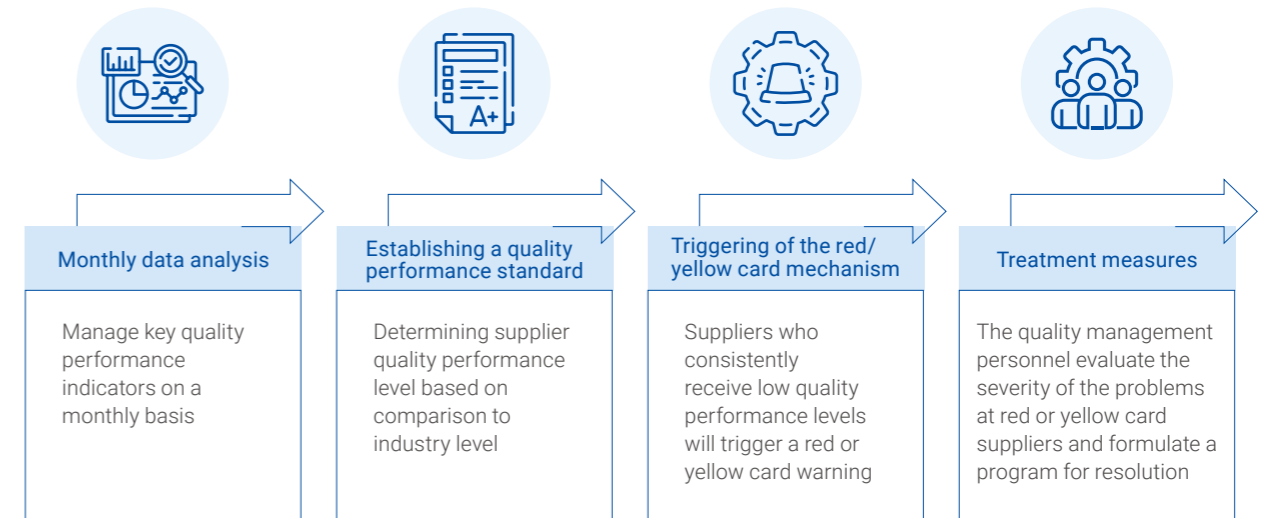
CATL categorizes its suppliers based on business type as either production or non-production material suppliers. Aligning with the Company's strategic development direction and considering suppliers' capabilities and daily transactions, primary suppliers are segmented into strategic, preferred, optional, restricted, and eliminated categories. CATL implements quality management practices such as approved audits, daily performance monitoring, and training for all primary suppliers and key sub-suppliers.

CATL has created the *Supplier Quality Management Manual* to instill the objective of achieving "zero defects" in product quality across all suppliers. The Company establishes clear quality standards and evaluates suppliers' quality levels and management capabilities in areas such as quality system management, personnel competence, product development, process quality, and quality enhancement. During the approval phase, the supplier's quality score comprises 35% of the evaluation, and a "one-vote veto system" for quality has been instituted. In cases where key suppliers receive a low audit rating, the Company deploys its internal quality personnel to visit the suppliers' facilities to aid them in enhancing their quality and ensuring timely delivery based on their expertise and capabilities. Moreover, if any issues are identified during on-site audits, the Company's quality personnel will guide the suppliers in implementing corrective measures.

CATL has established the *Supplier Monthly Performance Management System* and the *Supplier Red/Yellow Card Warning System* to conduct regular performance monitoring of its suppliers. The Company conducts monthly assessments of supplier quality performance. The Company issues red/yellow card warnings to suppliers exhibiting consistently poor performance to prompt them to enhance their operations. Conversely, suppliers demonstrating excellence in quality performance are acknowledged with the quarterly "Quality Performance Excellence Award". As part of this initiative, the supplier's annual on-site audit plan encompasses system operations, process control, change management, and other quality management aspects. Core suppliers undergo audits at least once annually, while all suppliers are subject to audits at least once every three years.

The Company regularly monitors the management of the qualification, performance of contracts, safety, and integrity of suppliers. It also guides and supervises them in solving identified issues to ensure the safety and compliance of their business operation.

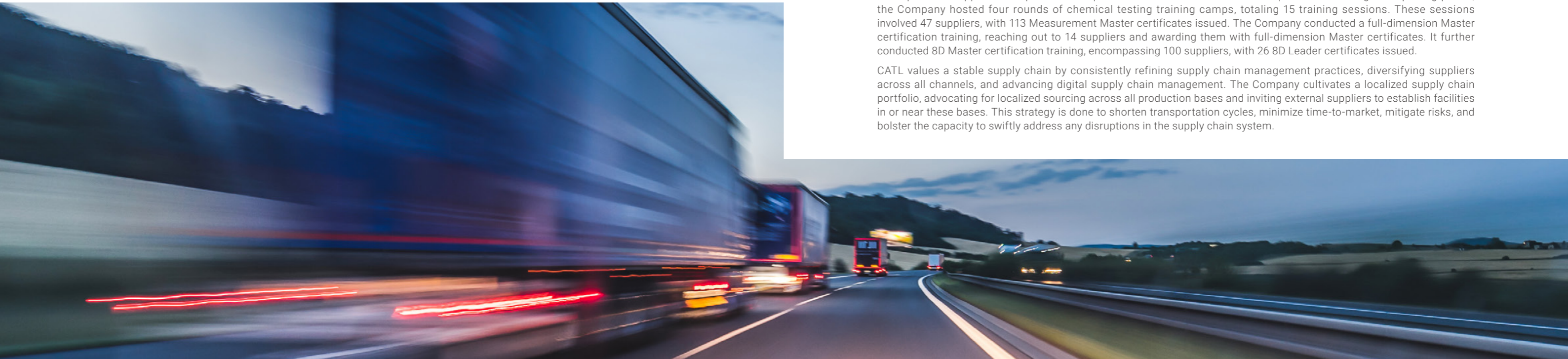
Supplier Monthly Performance Management System and the Red/Yellow Card Warning System



CATL empowers its industry expertise to collaborate with supply chain partners, fostering a more robust cooperative relationship within the supply chain. This collaboration enhances suppliers' quality management capabilities and bolsters the resilience of the supply chain. The Company conducts annual training sessions to enhance the quality management capability of suppliers. During the reporting period, CATL organized approximately 30 training sessions for quality control experts and senior management responsible for quality, engaging over 300 suppliers. Furthermore, the Company has introduced a supplier empowerment platform, starting with the initial group of 115 key material suppliers.

CATL provides suppliers with professional qualifications to meet certification requirements. During the reporting period, the Company hosted four rounds of chemical testing training camps, totaling 15 training sessions. These sessions involved 47 suppliers, with 113 Measurement Master certificates issued. The Company conducted a full-dimension Master certification training, reaching out to 14 suppliers and awarding them with full-dimension Master certificates. It further conducted 8D Master certification training, encompassing 100 suppliers, with 26 8D Leader certificates issued.

CATL values a stable supply chain by consistently refining supply chain management practices, diversifying suppliers across all channels, and advancing digital supply chain management. The Company cultivates a localized supply chain portfolio, advocating for localized sourcing across all production bases and inviting external suppliers to establish facilities in or near these bases. This strategy is done to shorten transportation cycles, minimize time-to-market, mitigate risks, and bolster the capacity to swiftly address any disruptions in the supply chain system.



Product Quality and Safety

Quality Management System

CATL is committed to exceeding customer expectations by delivering top-notch product quality. In order to adhere to the responsibility system for product quality and safety and mitigate potential risks, CATL established a Product Quality and Safety Committee during the reporting period in accordance with the *Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Manufacturers of Industrial Products* (Order No. 75 of the State Administration for Market Regulation) and the *Provisions on the Supervision and Administration of the Fulfillment of Primary Quality and Safety Responsibilities by Sellers of Industrial Products* (Order No. 76 of the State Administration for Market Regulation), as well as its internal management requirements. The committee's composition and responsibilities are clearly outlined, with the chairman serving as the ultimate decision-maker, and vice presidents, heads of headquarters departments, base leaders, and relevant safety personnel officers serving as committee members. The Committee is tasked with determining product safety policies, strategies, and objectives.

CATL maintains a robust product quality management system that adheres to internal business and management structures. This system is regularly reviewed and updated annually to ensure alignment with evolving management requirements, thereby enhancing product safety management quality effectively and consistently. Overseas production bases are required to adhere to quality management procedures, adjusting them as necessary to comply with local laws and regulations. Throughout the reporting period, approximately 260 system documents related to product quality were created and updated by the Company.

The Company's production bases with stable operation and certification qualifications all passed the certification for the IATF 16949: 2016 Automobile Quality Management System Standard or ISO 9001: 2015 Quality Management System, and continue to maintain the effective operation of the quality system. During the reporting period, CATL-FD, CATL-RQ, CATT, CATL-GEELY, and PN-CETL newly passed the certification for the IATF 16949: 2016 Automobile Quality Management System Standard or ISO 9001: 2015 Quality Management System. The Company conducts annual internal audits of quality management system to ensure its adequacy and effectiveness, thereby upholding robust and high-standard product quality and safety. During the reporting period, the Company audited the quality management system of all mass-production bases and effectively addressed findings identified during the audits.

CATL places product reliability management at the heart of its quality management system, covering all stages of the product life cycle, including design, production, use, and maintenance. The Company has developed a thorough reliability management system, enhancing it continuously through mechanism simulation, failure analysis, and both the development and standardization of testing methods. This approach aids CATL in evolving and refining reliability analysis models and methods. It carries out product reliability risk management and data management over the whole process, of technical elements, product development, and mass production, and ensures the safety and reliability of products throughout the entire product life cycle. During the reporting period, the Company advanced its product reliability management system, improving how it handles product reliability data. A special initiative was undertaken to address technical hurdles in product reliability, with attention to challenging and critical matters. The Company methodically dissected product reliability expectations and carried out numerous reliability tests, steadily boosting product dependability, which, in turn, increased their safety and reliability.

CATL consistently enhances its quality management by integrating cutting-edge technologies to improve customer service across all areas, emphasizing product excellence. The Company implements quality metrics including the rate of incoming material inspection passes, the process's one-time excellence rate, and the rate of failures. These indicators are closely monitored and assessed both monthly and annually.



Life-Cycle Quality Management Measures



CATL uses digitalization to empower its life cycle quality management, making product quality control more efficient and precise. During the reporting period, the Company introduced the "six digital systems and one center" to connect data chains across the entire life cycle, enabling quick identification and response to risks. This provides effective data support for improving product quality management capabilities. Taking the process big data monitoring and warning system as an example, this system utilizes algorithms and functional innovations to achieve second-level visualization of trillion-level product data across the entire group. This effectively identifies differences in product consistency and the Company follows up on improvements, continuously enhancing its product consistency. The Company has managed online quality problem corrections and special improvements in all scenarios. The entire process, from identification to enhancement, scaling, and knowledge consolidation, is transparent, manageable, and can be monitored and upgraded instantly, significantly enhancing issue resolution efficiency and customer contentment. This enhances both quality competitiveness and service proficiency.

Quality competitiveness management platform

CATL creates a transparent quality competitiveness model to improve quality for value-added and premium product quality.

Quality activity traceability system

In all stages of project development, CATL has identified 35 key quality activities centered on five aspects: project planning and product development verification, process development quality control, material development quality control, process quality control, and issue management. This ensures that throughout the entire project development process, "there must be structured reviews for every requirement, cross-module reviews for every solution, and testing reviews for every sample". The objective is to standardize, normalize, and orient the processes for the business functions of personnel engaged in quality activities across the product life cycle.

Reliability Academy

CATL enhances its core competitiveness with reliability by building a platform to nurture reliability technology and engineering capabilities while accumulating expertise.

Digital supply chain quality system

This system facilitates complete online management of materials from start to finish and ensures that suppliers and materials comply with quality management standards throughout their life cycle, allowing for proactive supply chain risk management.

Process big data monitoring and warning system

This system enables smart surveillance and alerts for large-scale process data to enhance product consistency and ensure closed-loop issue resolution.

Entire product chain data traceability system

This system ensures clear data management across the whole product chain, thereby facilitating thorough, precise, prompt, accessible, and smart product tracking.

Six digital systems

Digitalization facilitates quality management

Reliability data management center system

CATL delves into data values by creating smart analysis platforms that encompass data packages on the reliability of incoming materials and products, checklists for identifying high risks, and lifespan models. Through these platforms, the Company efficiently controls risks related to product reliability, enabling proactive risk management and ensuring the superior quality of its products.

Product Inspection and Management of Non-Conforming Products

CATL has formed a product measurement management team to enhance the management of product inspections. CATL prioritizes preventive measures like error avoidance and the automation of equipment for emerging or potential quality issues. For actual quality issues, CATL conducts item-by-item implementation and hierarchical verification in project management, manufacturing, and supplier processes guided by the quality control list. During the reporting period, CATL focused on managing key quality attributes to proactively prevent the recurrence of quality issues and continuously optimize product quality and safety.

CATL has formulated the *Non-conforming Product Control Procedure* to standardize the management of non-conforming products. The Company has a closed-loop system that covers identification, marking, isolation, review, disposal, and improvement, specifying the department responsible for each step. In the event of incidents caused by defective products, CATL has established damage control measures and dedicated a special working group to conduct re-examinations per the *Management System for Re-examination and Improvement of Quality Events*. This group will address technical, procedural, and managerial shortcomings from both technological and administrative perspectives.

CATL has a well-established product recall management mechanism and formulated the *Instructions for Product Recall* to govern the process of product recalls. During the reporting period, CATL was not subject to any sanction for violating any law or regulation on product and service quality and safety and did not encounter any product recalls.



Quality Culture with Full Participation

CATL views quality management as a mandatory training for employees, establishing a quality training system at the Company, department, and team levels. It provides comprehensive quality training through a mix of online and offline methods to enhance employees' awareness and focus on product quality and safety. Training frequency varies based on different types, such as annually or quarterly, ensuring that each employee receives training at least once a year. During the reporting period, all employees participated in quality training, including short "micro-courses" through 5-10 minute videos on topics like "quality tools and methods" and "key quality management processes", with over 250,000 personnel trained. Additionally, the Company conducted 113 quality management certification courses and held 61 specialized training sessions for quality-related staff, involving more than 13,000 participants. External industry experts or university professors were invited to provide specialized training on themes like "product reliability" and "system reliability". CATL promotes a culture of quality through various channels to external stakeholders simultaneously.

CATL has created a quality performance evaluation to further reinforce the quality awareness among all employees. The Company has established quality performance indicators based on the attainment of annual quality goals, covering areas such as market failure performance, quality cost, and problem-solving effectiveness and timeliness. This evaluation involves departments like marketing, R&D, engineering manufacturing, supply chain, and operational systems. Quality performance indicators constitute 10% to 30% of each department's overall performance evaluation weight, varying based on the level of business-quality relationship. Monthly monitoring and management of quality indicators are conducted by the Company, prompting relevant departments to provide regular reports, summaries, and analyses of the indicators, culminating in a monthly quality management overview report.

By embracing a quality approach centered on positive reinforcement, CATL motivates all teams and individuals contributing to quality reporting and enhancement. The Company has put in place a comprehensive quality improvement incentive system to address diverse quality enhancement requirements, including product quality enhancement, quality management refinement, efficiency improvement, and Lean Six Sigma advancement. Evaluations are conducted to recognize quality role models and exceptional 8D Leaders. For critical and complex issues, CATL has instituted a specialized project focusing on product and engineering technology solutions for effective management. Through this initiative, the Company has achieved nearly 170 patents and nearly RMB 900 million in quality enhancement benefits, continually bolstering its core competitiveness in quality.

CATL is dedicated to fostering a quality-centric culture of "Full Responsibility and Full Participation". The Company boosts the quality consciousness of all employees through initiatives like Quality Month and Quality Control Circle (QCC). In the 2023 Quality Month, CATL conducted activities such as quality advocacy, training, recognition of "Quality Stars", and site-specific events at production bases. By organizing knowledge sessions, offering incentives, and utilizing other engagement methods, the Company encouraged widespread employee participation and enthusiasm.

Selection of "Quality Star"

CATL motivates its quality employees by recognizing outstanding individuals through the "Quality Star" program across quality departments and bases. Selection criteria include quality performance, work standardization, quality innovation, capabilities, and honors. Recipients of the "Quality Star" title receive cash rewards, honors, and acknowledgment for their exceptional quality contributions. In the latest reporting period, CATL bestowed the "Quality Star" title upon 53 employees.

Intelligent Manufacturing and Lean Management

The increasing demand for battery production capacity in the front-end industrial market is driven by the rapid growth of the global new energy industry and the shift towards clean energy in the energy sector. This trend also raises the bar for the Company's manufacturing expertise. Focused on product quality, production efficiency, and safety, the Company is dedicated to establishing an eco-friendly and effective manufacturing system while enhancing its battery manufacturing capabilities. Employing technologies like machine visual inspection, digital twin simulation, 5G+, 3D printing, edge/cloud computing, among others, CATL aims to drive innovation in design, processes, and testing intelligence, leading to continuous enhancements in quality and efficiency.

Intelligent Manufacturing

At the forefront of innovation in the battery manufacturing field, CATL harnesses intelligent technologies extensively to develop a robust manufacturing system. Through the integration of IoT and big data technologies, the Company drives the intelligent evolution of manufacturing processes, establishing a comprehensive intelligent manufacturing system transforming CATL from traditional "manufacturing" to "intelligent manufacturing".



Machine Intelligence

- By combining IoT, big data platform, fault diagnosis and life prediction, and other technologies, CATL has developed a prognostics and health management (PHM) system with Cloud-Edge-Device synergy for machine predictive maintenance. This system can predict the incipient machine failure 14 days earlier and effectively avoid the loss due to unexpected machine break-down.
- CATL has equipped all battery production lines with machine vision quality inspection equipment to avoid the variability introduced by manual visual inspections. During the reporting period, the Company has conducted inspections on all CTS requirements and achieved zero missed detection.



Process Intelligence

- CATL has developed an end-to-end digitized and intelligence system for various scenarios from NPI to mass production, such as virtual metrology for welding quality assessment, smart monitoring and analysis for production lines, etc.
- Leveraging the enhanced intelligent technology, CATL has developed over a hundred of specialized failure analysis trees based on the accumulated knowledge and experience of more than 50,000 cases from battery design to manufacturing process. By implementing physical and data-driven methods with comprehensive process factor analysis, the Company can largely improve the failure analysis efficiency and reduce labor loading. This enables the rapid and effective quality risks management to ensure a high consistency in battery products during mass production.



Optimization of materials and logistics

- By using intelligent optimization algorithms, CATL enhances the optimization of chemical materials and structural parts and develops a precision and cutting model for copper and aluminum foils, as well as separators. This model automatically creates the best matching solution according to the cell size, effectively minimizing the waste of raw materials during mass production.
- CATL has streamlined its logistics and routing planning both inside and outside of its factories by creating an intelligent supply chain map and a dynamic inventory alert system. This innovation has cut down the time to resolve issues from the previous two days required for manual operations to just within 10 minutes.



Reconfigurable production lines

- CATL has attained the simulation of the entire complex lithium battery production line across huge dimension spans of kilometer scales, and can quickly validate and select the best line exchange solution using control methods like cross-validation and variation analysis, etc.

Challenged by "exceptionally high quality standards, intricate processes, and rapid production speeds", CATL proactively employs intelligent manufacturing technology to oversee over 6,800 quality control points throughout the process. The Company has set up an intelligent manufacturing quality control network with early detection, early prevention, and early improvement.



Intelligent manufacturing illuminates the Liyang "Lighthouse Factory"

The Global Lighthouse Network (GLN) is a community led by WEF, comprising top manufacturers and value chains worldwide. This GLN of manufacturers demonstrates leadership in leveraging Industry 4.0 technologies to revolutionize factories, value chains, and business models, yielding significant financial and operational benefits. The designation of a "Lighthouse Factory" symbolizes the forefront of intelligent manufacturing and digitization within the global manufacturing sector today.

CATL persistently delves into advanced and nimble manufacturing frameworks for the future, broadening and realizing the "Lighthouse Factory" concept. During the reporting period, the Liyang Base of CATL became the third such lighthouse factory after Ningde Base and Yibin Base. At present, CATL boasts the only three "lighthouse factories" in the global lithium-ion battery industry.

Four Core Highlights of "Lighthouse Factories"

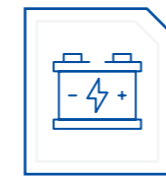
Intelligent production	<p>Flexible line exchange: To match the speed of product iteration, the Liyang Base employs digital simulation technology and 3D printing to produce fixtures and shorten the time of line exchange. This approach is anticipated to gain an extra annual capacity of approximately 4.0 GWh.</p> <p>Product debugging and optimization: Leveraging big data and multivariate simulation technologies, and MES data modeling, CATL optimizes the charging and discharging processes during product debugging. This leads to a reduction of 86.5% time cost and 79.6% energy consumption.</p>
Extreme quality	<p>Machine visual inspection: CATL extensively integrates visual sensors, edge computing hardware, and intelligent algorithms across 12 key processes to replace manual visual inspections. Through ultra-large multi-scale control, the Company meticulously manages shape and properties control, establishing an intelligent closed-loop control system to achieve a product defect rate as low as DPPB level in lithium-ion battery industry.</p> <p>Predictive maintenance: CATL applies the C-link platform to collect the operation data and sensor data from the machines, monitor the machine health status, and implement fault diagnosis and health assessment algorithms to accurately predict machine failures. This approach prevents unexpected machine break-down, leading to a 30% decrease in machine downtime. Consequently, it effectively increases the availability of machines and ensures a high consistency in product quality.</p>
High-efficiency energy	<p>High-precision energy consumption management: By employing deep learning techniques, CATL refines the process control of the production line environment, improving the management precision of high-energy-consuming equipment. During the reporting period, the greenhouse gas emission at the Liyang Base has been reduced by 50% compared to the previous year.</p>
Precise safety	<p>Real-time violation warning: 26 real-time violation warning cases have been landed in Liyang Base, in which video and intelligent analysis techniques have been utilized to offer continuous and complete monitoring of violations and safety hazards, ensuring proactive prevention of factory safety incidents.</p>

Lean Management

CATL boasts a robust lean management system. At the closing reporting period, the Company had classified and streamlined more than 300 lean process pathways through effective business structure design and process enhancements. This effort has led to increased process efficiency, digitization, and ongoing enhancement of the advanced manufacturing system.

CATL is dedicated to pioneering innovations in lean management mechanisms and has introduced the Manufacturing Unit (MU) system. Tailored to the distribution of customer groups, product lines, and bases, the Company has streamlined product and production line planning, establishing six major MU management frameworks. These structures reduce the complexity of product and customer group management and achieve rapid response of the manufacturing end to market demand.

During the reporting period, CATL leveraged both internal and external resources to develop a lean empowerment system. The Company created more than 20 courses on lean management and held 131 training sessions in this area, engaging a total of 14,033 participants. This audience included executives, key technical staff, and frontline team leaders.



Extreme cutting

CATL has significantly enhanced the efficiency of cutting, extending, and modifying the entire spectrum of cell, module, and pack production lines, achieving a year-on-year improvement of approximately 50% compared to 2022. These methods include process simplification and optimization, team empowerment, specialized exploration and expansion implementation, and refined management of single minute exchange of die (SMED). These improvements robustly support the rapid response to customer needs and enhance the compatibility of product lines.



Extreme capacity

CATL extends benchmark production line projects for maximum capacity across all Group bases. The Company has set up a capacity loss analysis platform that autonomously collects data on equipment cycle time, downtime rate, and first-pass yield. This system automatically detects capacity bottleneck issues in the production process, providing guidance to on-site operations for swift capacity enhancements. During the reporting period, the Company's overall achievement rate for maximum capacity surged from 30% to 71%.



Customer Relationship Management

Customer Service Management System




CATL adheres to a "customer-centric" service philosophy, consistently enhancing its customer service framework across pre-sales, in-sales, and after-sales stages. The Company has established standardized procedures to refine management practices, elevate service quality, and protect customer interests. These procedures include the *Management Procedures for Bidding of Customer Projects* for pre-sales services, the *Management Procedures for Sales Orders* for in-sales services, and the *Customer Satisfaction Management Procedures* and the *Handling Procedures for Return/Exchange of Goods by Customers* for after-sales services.

For pre-sales services, CATL has embraced digital and intelligent customer management models, the customer demand planning management system, and the Leads To Cash (LTC) process optimization project. This has enhanced both management efficiency and responsiveness to customer needs. During the reporting period, by implementing the customer demand planning management system, sales, marketing, and customer service teams have streamlined their data input process, enabling real-time data sharing and ensuring the reliability of data sources. This approach has greatly improved the Company's ability to allocate internal resources according to customer expectations. Additionally, CATL has undertaken an LTC process enhancement project, focusing on defining business capabilities, planning and designing business procedures, and plotting out system planning. These measures are geared towards standardizing service management internally and accelerating the response time to customer inquiries.

For after-sales services, CATL actively scales up its after-sales service network through collaboration with external after-sales maintenance partners. This effort aims to enhance the overall service capability of the post-market segment and provide customers with a superior service experience. The Company has established over 770 professional service stations globally. All personnel at these service stations underwent maintenance training, completed assessments, and obtained necessary certificates before commencing work. Furthermore, CATL equipped the service stations with skilled technicians, facilities, including regional supervisors, technical experts, and spare parts warehouses. This comprehensive infrastructure enhancement aims to provide global customers with top-notch services. To further support global development and enhance customer experiences, CATL implemented a dual-data center after-sales service system covering domestic and international operations. A multi-channel interaction center was also established, incorporating official websites, emails, telephone lines, WeChat mini-programs, and other platforms for seamless service access and customer follow-up, ensuring digitalized service delivery, refined service management, and intelligent service processes. These initiatives significantly boost operational efficiency and enrich the customer service journey. CATL conducts regular comprehensive audits with service agents annually, evaluating performance, service quality, and conducting unannounced inspections to maintain high service standards for customers.



Service Quality Review of Service Agents

 <p>Performance assessment</p> <p>CATL carries out monthly performance assessments focusing on dimensions such as timeliness, recovery capability, customer satisfaction, service attitude, material management, and financial management. It conducts quarterly and annual service quality evaluations and reporting.</p>	 <p>Service quality audit</p> <p>CATL regularly conducts monthly quality audits for its service agents, encompassing inspections of financial management, maintenance equipment, and maintenance capabilities. CATL reports a list of identified issues to service agents and mandates rectification. These corrections are integrated into the monthly performance evaluations. The Company shares common problems as illustrative cases for educational purposes.</p>	 <p>Unannounced inspection</p> <p>CATL establishes a special management team to conduct unannounced inspections on different regions and their supervisors.</p>
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The Company has set up a prompt and efficient customer complaint resolution system, assigning dedicated personnel to manage customer complaints while ensuring timely responses and adherence to specified requirements. Customers can submit their complaints or queries via the 24-hour service hotline (400-918-0889), WeChat, and official website. Internal service managers assess the severity and nature of complaints, directing them to the relevant department for resolution. Upon resolving a complaint or issue, CATL reports back to the customer, communicates the resolution, and then closes the case. In the reporting period, the Company achieved a 100% closure rate for complaints.

CATL has formulated the *Customer Satisfaction Management Procedure* and carried out annual satisfaction surveys with customers, both domestic and international. According to the Company's requirements, teams within various sales processes would conduct targeted customer satisfaction survey to enhance customer services based on different sales perspectives. An independent team outside the sales system was also established for conducting company-wide customer satisfaction surveys. The survey findings were crucial for evaluating the performance of relevant departments. During the reporting period, the Company conducted satisfaction surveys on customers, among which 89% expressed satisfaction with the services. Based on survey feedback, the Company compiled a list of commonly reported issues, devised solutions for each problem, provided feedback within agreed timeframes, confirmed the effectiveness of solutions in subsequent surveys. Additionally, the Company conducted at least two annual customer visits to gather feedback on service process.

During the reporting period, the Company continuously received recognition from the outside world for its customer services. It obtained the Five-Star (Conformity) Certificate, Seven-Star (Excellence) Certificate, and Twelve-Star Certificate (currently the highest in the industry in China) jointly issued by the China General Chamber of Commerce and the National Commodity After-sales Conformity Certification Evaluation Committee.

Professional Competence Development

CATL is dedicated to creating a customer service team characterized by exceptional occupational skills and professionalism. The Company routinely assesses the expertise and capabilities of its staff, designing specialized training programs for various roles. To enhance service efficiency, CATL has formed a five-role team consisting of sales staff, project managers, product designers, after-sales personnel, and quality personnel, collectively known as "SPPAQ". This team collaborates closely with customer service departments to swiftly address customer expectations, coordinate internal resources, and resolve customer concerns.

Every year, CATL regularly conducts customer service management training for all sales and marketing employees to elevate their customer service awareness and skills, ensuring that they can effectively understand and fulfill customer needs. The Company has developed a structured course system tailored for its marketing and after-sales teams, creating specialized customer service training that aligns with a matrix of required occupational competencies. From this foundation, CATL crafts personalized learning pathways for its sales and marketing personnel.

CATL has launched training and certification programs for technical and operational positions among service agents nationwide, ensuring high-quality customer services in the market and further improving customer service satisfaction. Service agents are authorized to manage professional service stations only after completing the requisite training, evaluations, and obtaining certification. At the end of the reporting period, more than 3,000 maintenance technicians and close to 1,000 operational staff had received their certifications.

CATL continues to inspire employees to enhance their customer service skills through internal incentives, such as positive behavior case activities and the "Customer-Oriented Award". With a focus on improving overall service quality, the Company organizes an annual after-sales service agent conference to motivate service agents through recognition. In the reporting period, CATL hosted the 2023 After-sales Service Agent Conference with the theme of "Advancing CATL with Joint Efforts", bringing together over 400 service agents from across China. During the event, the Company awarded distinctions such as "Excellent Service Provider", "Best Newcomer Award", "Annual Performance Award", and "Best Partner Award" to recognize exceptional service agents and express appreciation for their significant contributions.

Intellectual Property Right Protection

CATL upholds the principle of "Respecting others' intellectual property rights and safeguarding our own". The Company safeguards its competitive advantage and brand reputation through comprehensive intellectual property rights (IPR) management while ensuring it does not violate the IPR of others. Patent Management Board (PMB) established at both the Company (PMB1) and business department (PMB2) levels serve as an institutional safeguard for IPR protection. During the reporting period, the Company further increased the review members of the PMB of Business Departments and assigned new responsibilities for graded patent evaluation and utilization assessment to adapt to the patent business.

CATL has formulated the *Regulations on Intellectual Property Incentive, Regulations on The Establishment and Operation of Patent Management Committee, Methods for Patent Application Evaluation, Trademark Administration Methods, Copyright Administration Methods*, and other documents to implement the whole-process standardized management on the creation, management, application and protection of the Company's IPR including trademarks and copyrights. For the IPR management of overseas operations, the Company has formulated the *Global Patent portfolio Guidelines* and established an overseas patent portfolio evaluation model to protect innovation and core products.

During the reporting period, CATL updated the *Guidelines for IP Management Specifications in R&D Projects* to enhance the protection for innovation achievements. The Company published system documents like the *Guidelines for Writing Patents* and the *Guidelines for Office Action Reply* to standardize patent writing and respond to replies to improve patent quality.

During the reporting period:

- The Cell Module and Pack Patent (No.: ZL201910398912.1) won the Silver Award of the "24th China Patent Silver Award".
- The High-voltage Interlocking System and Detection Method Patent (No.: ZL201811109687.7) won the Excellence Award of the "24th China Patent Award".

When collaborating with international partners, CATL and its partners are required to explicitly define the ownership, usage, maintenance, and risk management of Intellectual Property Rights (IPRs), and establish a reliable mechanism to share R&D outcomes. The Company also includes an IPR protection clause in the contracts with suppliers, addressing the ownership, utilization, and risk mitigation of IPR.

CATL actively carries out IPR protection work to ensure fair competition. The Company's market and technology investigation department is set up to track products in the market, issuing timely warnings for any malicious patent infringements. Meanwhile, CATL's patent department investigates malicious infringement, obtains evidence properly, gives warnings, and takes legal action against infringement to safeguard the Company's rights and interests.

CATL implemented a comprehensive "six-dimensional training" program within its existing training system to boost employees' understanding of intellectual property rights (IPR) protection. This framework caters to various personnel categories, such as executives, R&D staff, manufacturing employees, sales teams, IPR experts, and suppliers. In the specified period, the Company conducted over 200 IPR-focused training sessions, totaling more than 400 hours of training and benefiting over 9,000 individuals.

Fair Competition

CATL upholds the principles of "voluntariness, equality, fairness, and integrity" in its business operations. In strict accordance with the *Antimonopoly Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China*, among other relevant laws and regulations, the Company actively encourages employees to uphold ethical business practices and promote a climate of fair competition within the industry. Compliance management, including anti-monopoly and anti-unfair competition measures, has been integrated into the responsibilities of the Legal and Compliance Department. This includes enhancing compliance risk management through legal tracking, system development, risk assessment, reviews, and training.

Targeting anti-monopoly and anti-unfair competition compliance management, CATL has introduced and published the *Anti-monopoly Compliance Policy* and provided compliance training to managers. The Company guides business departments with the *Competitor Communication Guide* and conducts compliance evaluations on contracts to ensure adherence to fair competition standards and filing requirements.

CATL emphasizes responsible sales and marketing practices by standardizing compliance across the Marketing Department, sales teams, and product teams throughout the entire process of business expansion and contract execution. Detailed market insights, customer sales data, and product labeling information are consistently provided.

During the reporting period, CATL conducted training on anti-monopoly compliance, emphasizing risks associated with "horizontal monopoly agreements", "vertical monopoly agreements", and "abuse of market dominance". Regular training for sales and marketing staff covers responsible marketing practices, effective customer communication, anti-corruption behavior, and other pertinent topics to enhance their understanding of responsible marketing strategies.



03

Environment

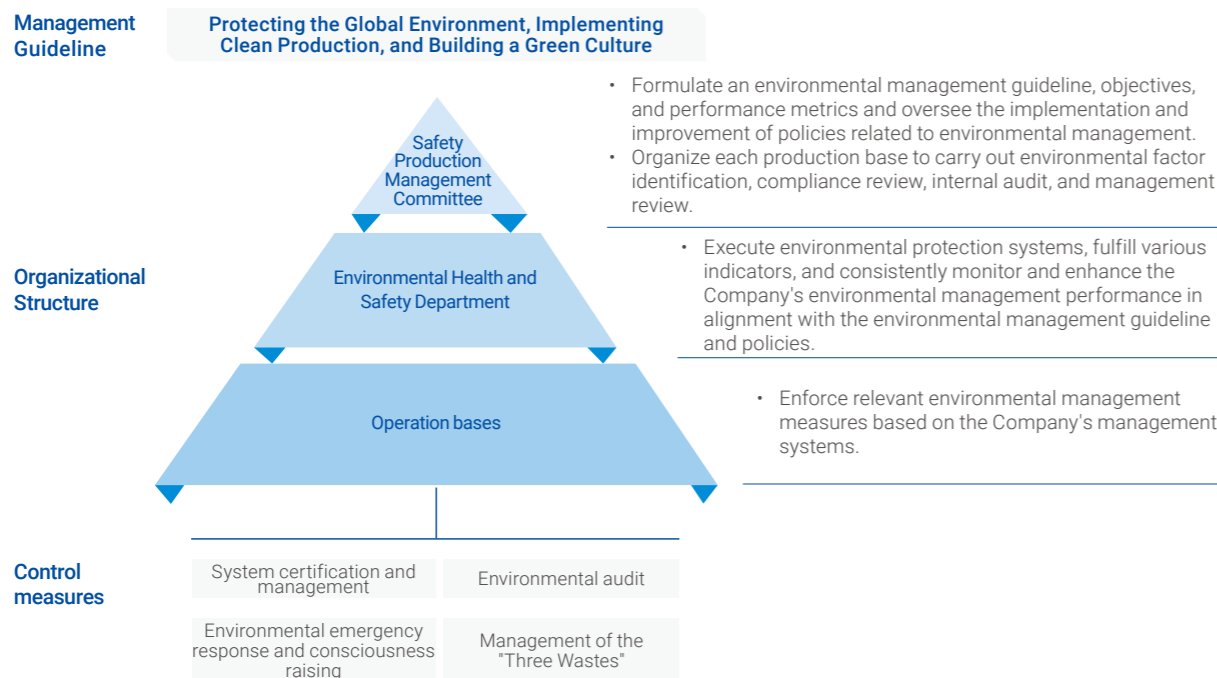
- Environmental Management System
- Emission and Waste Management
- Resource Management
- Low-carbon Production and Operation
- Biodiversity Protection



Environmental Management System

System Construction

CATL developed the *EHS Management Manual* based on the environmental management principle of "Protecting the Global Environment, Implementing Clean Production, and Building a Green Culture". This manual serves as a guide for establishing the Company's environmental management system in accordance with relevant laws, regulations, ISO 14001 standards, and the Company's specific requirements. It functions as a systematic document to direct the establishment and enhancement of the Company's environmental management system. In June 2023, CATL revised and released the *Environmental Management Declaration* to outline standardized and transparent environmental management requirements and measures.



CATL established the Safety Production Management Committee as the primary decision-making body for environmental management. Led by the Chairman of the Board, with Board members and senior management as members, this committee formulates environmental management guidelines, objectives, and performance standards. It supervises the implementation and enhancement of environmental policies and coordinates production bases in identifying environmental factors, conducting compliance reviews, internal audits, and management assessments. The Environmental Health and Safety Department implements environmental protection systems, monitors various indicators, and continuously enhances the Company's environmental management performance in line with established guidelines and policies. CATL has established the *Control Procedures 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.

By the end of the reporting period, all eligible battery production bases with stable operations successfully obtained ISO 14001:2015 certification for their environmental management systems and received corresponding certificates. Other bases under construction or that have just finished construction have been building their environmental management system in compliance with ISO 14001 requirements. Subsidiaries including Guangdong Brunp and Hunan Brunp also acquired relevant certifications.

For projects related to battery mineral resources, CATL has established sound environmental protection management systems and regulations per applicable laws, regulations, and ISO 14001. These regulations include the *Management System for Ecological Environment Protection in Mines, Management System for Ecological Environment Restoration in Mines, Air Pollution Management Procedures, Industrial Wastewater Management Procedures, Solid Waste Management Procedures, Regulations*

on Factory Boundary Noise Emissions, Regulations on Soil and Groundwater Pollution Prevention and Control, Management System for Soil and Water Conservation, Management Procedures for Identification and Evaluation of Environmental Factors, Procedures for Environmental Performance Monitoring and Strategy Control. These regulations cover a range of environmental control factors, including exhaust gases, wastewater, solid waste, noise, ecological restoration, and water and soil conservation, thereby ensuring the effective identification and management of environmental risks.

In strict accordance with the *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations, CATL conducted environmental impact assessments for construction projects and performed workplace environmental risk assessments throughout the reporting period. All construction projects at CATL during this period adhered to the environmental impact assessment system and met the criteria for environmental protection administrative licensing. All projects have obtained the license.

Environmental Audit

CATL consistently conducts both internal and external environmental audits. The Company conducts internal environmental protection audits annually, covering all battery production bases with stable operation. Throughout the reporting period, audits were completed for CATL-YC, CCEC, and CATL-GZ bases. These audits involved assessing environmental compliance procedures and identifying risk points using specialized review forms. The Company also specially audited the sewage stations and systematically inspected the sewage treatment facilities in the production bases. Dedicated personnel were assigned to address key issues affecting the operation of these facilities as identified during the audits.

CATL entrusts a third-party professional institution to conduct regular external environmental audits, including conducting at least one sampling audit per year on the environmental impact of relevant operations at all battery production bases with stable operation. The audits ensure that all bases are covered within every three-year cycle. During the reporting period, CATL collaborated with customers to conduct 62 second-party environmental audits, covering areas such as the Responsible Business Alliance (RBA) and Workplace Conditions Assessment (WCA). Notably, CATL encountered no significant non-compliance issues in either internal or external environmental audits during this period.

CATL conducts bi-weekly process coaching and improvement follow-ups, which serve as the basis for semi-annual on-site reviews and annual audit evaluations. Any issues identified during audits undergo continuous follow-up until resolution. The Company conducts on-site reviews of environmental compliance, operational conditions of environmental facilities, self-monitoring data, and waste disposal for shareholding companies, core raw material suppliers, and third-party waste management institutions. It requires these entities to establish reduction targets for key water pollutants, air pollutants, and solid waste and continuously tracks progress towards achieving these targets post-audit. By the end of the reporting period, CATL had reviewed and provided instructions to 160 shareholding companies and core suppliers.

Environmental Emergency Response and Consciousness Raising

CATL prioritizes the prevention and management of environmental emergencies, dedicating significant efforts to bolstering its response capabilities. In preparation for incidents like chemical leaks, hazardous waste spills, wastewater leaks, and environmental events stemming from fires, the Company prepared the *Emergency Plan for Environmental Incidents* and the *Procedure for Reporting and Investigation of Environmental, Occupational Health, and Safety Accidents and Incidents* and implemented various accident drills, fire drills, and training.

During the reporting period, CATL and some subsidiary companies signed the *Collaboration and Mutual Assistance Agreement for Environmental Pollution Emergencies* with relevant vendors to further consolidate its ability to handle and respond to emergencies.

CATL actively fosters environmental consciousness and enhances environmental protection capabilities among its entire workforce. Throughout the reporting period, all employees took part in environmental protection training. For employees in key positions related to environmental protection management, the Company has conducted specialized training sessions on topics such as "environmental protection compliance management", "identification and evaluation of environmental factors", "standardized management of waste gas", "standardized management of solid waste", and "radiation safety management". In response to overseas environmental regulations, CATL's overseas bases organized over 30 training sessions, attended by a total of 300 employees. On World Environment Day, the Company organized a training event focused on "Daily Management of Environmental Protection" along with a knowledge competition, which drew participation from over 50,000 individuals. Additionally, CATL actively engages with local communities to promote environmental awareness and participates in various promotional activities organized by authorities. As a recognition of its efforts, CATL was honored with the title of "Eco-Friendly Enterprise in Dongqiao Economic and Technological Development Zone" during the reporting period.

To further promote sustainability, CATL continuously strengthens its investment in environmental protection. During the reporting period, the Company invested a total of RMB 1,197,518,100 in environmental protection.

During the reporting period, CATL did not incur any sanctions for violating environmental management laws or regulations, nor did it cause any significant environmental impacts in this regard.

Emission and Waste Management

CATL strictly controls the generation and discharge of wastewater, exhaust gas, solid waste, and noise in production and operation and reduces its environmental footprint. 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 industry standards such as the *Emission Standard of Pollutants for Battery Industry* (GB 30484-2013), *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 18597-2023), and the laws, regulations and standards in the locations of operation.

The Company has developed a Company-wide internal management system covering wastewater, exhaust gas, factory noise, and solid wastes generated in production and operation. During the reporting period, the Company revised seven internal environmental management systems. These systems include the *Procedures for Control and Management of Wastewater Discharge*, *Procedures for Control and Management of Exhaust Gas Emission*, and the *Procedures for Control and Management of Solid Waste Pollution*. These revisions were aimed at refining management procedures to ensure the smooth operation of environmental protection facilities and compliance with emission limits and disposal regulations for all pollutants. In alignment with pertinent regulations, the Company has formulated environmental self-monitoring programs covering various aspects such as wastewater, exhaust gas, and factory noise. It has installed monitoring facilities as mandated, equipped with indicators meeting the requisite standards.

CATL primarily discharges wastewater comprising industrial effluents and domestic sewage, which undergo treatment before being discharged through factory sewage treatment facilities and municipal sewage treatment plants, adhering to discharge standards. The Company has established a standardized model for industrial wastewater treatment requirements and facility construction, ensuring consistency in process design, equipment selection, construction, and system acceptance for various wastewater treatment processes. By the end of the reporting period, this model had been implemented in CATL-YC, CCEC, CATL-GZ, and CATL-XM bases. During the reporting period, the Company continuously upgraded, renovated, and standardized the operation of automatic monitoring equipment. It also developed the *Instructions for Operation of Inline Devices for Monitoring Pollutants* to standardize the construction, acceptance, and daily operation of inline devices for monitoring pollutants. In bases such as Longyan SICONG, the Company upgraded inline devices for monitoring Chemical Oxygen Demand (COD) and Ammoniacal Nitrogen (NH₃-N) at their wastewater discharge outlets. These upgrades further improved the accuracy of water quality monitoring and ensured up-to-standard wastewater discharge.

CATL has established a targeted approach to address air pollutants, aiming to reduce Nitrogen Oxide (NO_x) emissions per unit capacity by 10% in 2025 compared to 2021. To achieve this goal, the Company ensures that all new bases are constructed to meet low-emission standards. During the reporting period, low-nitrogen boilers were installed in all new bases of the Company, and the NO_x emission concentration of the boilers was decreased to below 50 mg/m³. The Company positively upgraded the facilities for the treatment of organic waste gas and introduced the regenerative thermal oxidizer (RTO) processing system into six subsidiaries and branches including CATL, CATL-JS, and CATL-YC. To enhance operational stability, a backup furnace was added to transition to the RTO+ system, increasing the treatment efficiency of volatile organic compounds (VOCs) from 80% to over 95%. CATL also looks into monitoring fugitive emissions of specific gases like fluoride, installing low-pressure alarm devices for early detection and treatment of sulfur hexafluoride (SF₆) gas emissions in high-voltage switchgear across all bases.

During the reporting period, the Company optimized the disposal process of waste glue drums in nine bases or regions, including CATL, CATL-JS, CATL-JC and CATL-RQ, etc. By improving the incoming packaging and on-site operation procedures, the Company ensured that there was no residual glue in the waste glue drums and that the waste glue drums were not hazardous at all. The objective was to transition these drums from hazardous waste to general industrial solid waste, thereby effectively reducing hazardous waste production. With a solid waste disposer approved audit and supervisory audit mechanism, the Company had audited 79 disposers and had eliminated or replaced seven disposers as of the end of the reporting period.

Emission and Waste Management Requirements and Disposal Methods

 <p>Wastewater</p>	<ul style="list-style-type: none"> • Management system: <i>Procedures for Control and Management of Wastewater Discharge</i> • Discharge category: Industrial wastewater and domestic sewage • Testing indicator: Test industrial wastewater pH values, chemical oxygen demand (COD), suspended solids (SS), total phosphorus, total nitrogen, ammoniacal nitrogen, as well as total nickel, total cobalt, total manganese, and other indicators of specific discharge sources; and test domestic sewage pH values, COD, SS, total phosphorus, total nitrogen, ammoniacal nitrogen and other indicators • Pollution prevention and control facilities: Industrial wastewater treatment stations, septic tanks, and canteen wastewater treatment stations • Disposal method: For industrial wastewater, zero wastewater discharge in CATL-JS and UABC, disposal like hazardous waste in Jiangsu Lithitech, direct discharge in Ningde Anpu, and indirect discharge in CATL and other subsidiaries (after pretreatment in the plant for compliance with the standard, it will be discharged to the municipal sewage treatment station for advanced treatment); for domestic sewage, direct discharge in all subsidiaries
 <p>Waste gas</p>	<ul style="list-style-type: none"> • Management system: <i>Procedures for Control and Management of Waste Gas Emission</i> • Emission category: Boiler discharge gas, dust-laden waste gas, N-methyl pyrrolidone (NMP) waste gas, electrolyte waste gas, waste gas from electrode safe-disposal devices, fume from sewage treatment stations, and canteen oil smoke • Testing indicator: Particulate matter (PM), SO₂, NO_x, non-methane hydrocarbon (NMHC), fume concentration, H₂S, NH₃, Ringelmann blackness, oil smoke, etc. • Pollution prevention and control facilities: Efficient dedusting equipment, activated carbon adsorption device, regenerative catalytic oxidizer (RCO), RTO, thermal oxidizer (TO), canteen oil smoke purification system, etc. • Disposal method: After disposal by the waste gas treatment facilities, only up-to-standard waste gas will be emitted
 <p>Hazardous wastes</p>	<ul style="list-style-type: none"> • Management system: <i>Procedures for Control and Management of Solid Waste Pollution, Annual Management Plan for Hazardous Wastes, and Instructions for Hazardous Waste Identification Mark Setting</i> • Discharge category: Waste electrolyte, waste circuit board, waste glue, laboratory wastes, etc. • Pollution prevention and control facilities: Hazardous waste storage • Disposal method: Entrust qualified disposers for environmentally sound disposal or comprehensive utilization
 <p>General industrial solid wastes</p>	<ul style="list-style-type: none"> • Management system: <i>Procedures for Control and Management of Solid Waste Pollution</i> • Discharge category: NMP waste liquid, waste graphite, waste aluminum foil, waste copper foil, waste pole pieces, waste cells, etc. • Pollution prevention and control facilities: General industrial solid waste storage or storage tank area • Disposal method: Collect waste by category and commission the downstream supplier for environmentally sound disposal or comprehensive utilization. Downstream suppliers remediate and recycle NMP waste liquid, while waste aluminum foil and waste copper foil are smelted or reprocessed by them. Waste electrodes are provided to downstream suppliers for the purification of metals such as nickel, cobalt, and manganese.

During the reporting period, 15 companies, including CATL*, CATL-JS, were listed as key entities under environmental regulation by the local ecological and environmental management authorities. Their major environmental impact factors were identified as shown in the table below.

Company name	Category of Key Entities under Environmental Regulation			
	Key pollutant discharger for water environment	Key pollutant discharger for atmospheric environment	Key entities under regulation for soil pollution	Key entities under regulation for environmental risks
CATL*	○	○	●	●
CATL-JS	○	○	○	●
CATL-FD	○	○	○	●
CATL-QH	●	○	○	○
CATL-RQ	○	●	○	○
CATL-RT	○	○	○	●
UABC	●	○	○	●
CFBC	○	○	○	●
Guangdong Brulp	○	○	○	●
Hunan Brulp	●	○	●	○
Hunan Brulp Automobile Recycling	○	○	●	○
Ningde Anpu	●	○	○	○
Longyan SICONG	●	○	●	●
CATL SICONG	●	●	●	●
Jiangsu Lithitech	○	○	○	●

In the battery mineral resources initiative, the Company amplifies its management practices to align emissions from production and operation with regulatory standards. It adheres to the "Resourcefulness, Minimization, and Harmlessness" guidelines for solid waste disposal, actively enforces solid waste management rules, and endorses the full reutilization of solid waste. During the reporting period, the Company constructed interceptor drains to direct catchment water from the mining site to sedimentation tanks for processing, while routing rainwater around the mining site back into the natural watershed to separate rainwater from sewage. Additionally, the Company completed the construction of a new early-stage rainwater collection tank and installed online monitoring equipment for characteristic pollutants. This network enables zero pollution and zero discharge of early-stage rainwater. Additionally, it established a comprehensive sewage treatment system within the residential area, repurposing treated domestic sewage and recycled water for plant greening purposes.

Resource Management

Water Resources Management

The Company primarily sources water from municipal suppliers for both production and domestic purposes at its operational bases. Within production zones, water is mainly utilized for manufacturing processes and supporting facilities. Industrial wastewater generated from battery manufacturing bases undergoes pretreatment to meet regulatory requirements before being discharged into the local municipal Waste Water Treatment Plant (WWTP). Subsequently, it undergoes further treatment at centralized municipal wastewater treatment plants before being released into natural waterways. During the reporting period, the Company observed no significant impact on water resources, either directly or indirectly, due to alterations in water extraction, consumption, discharge, or storage.

During the reporting period, the Company conducted a comprehensive water risk analysis of all battery production bases. This assessment considered the level of exposure to water risks and material risk factors associated with both watershed conditions and operational activities at each base, and prioritized the water risk management of each base.

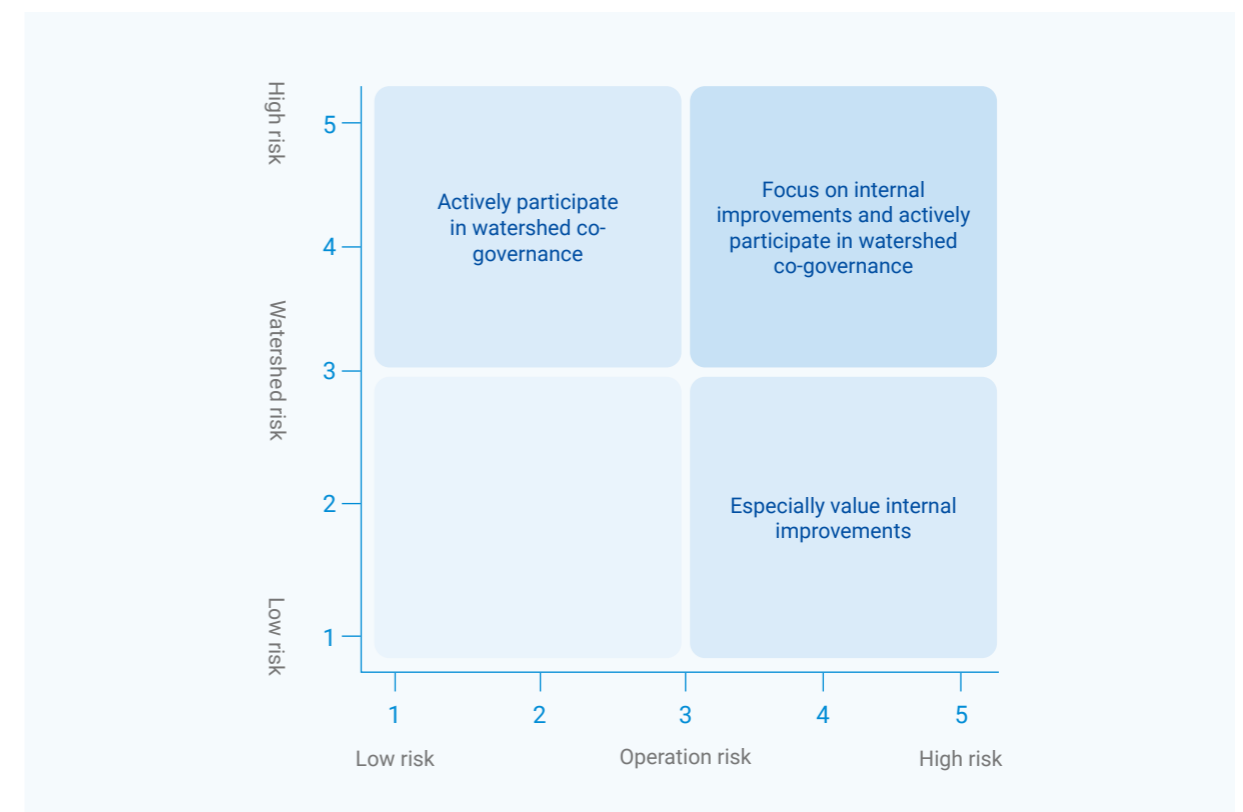
With regard to the watershed water risk, the Company refers to the internationally recognized World Wildlife Fund (WWF) Water Risk Filter for evaluation, covering water scarcity, flood, water quality and ecosystem service status.

Hot spots of watershed risk:

- Water scarcity risk: The bases in Qinghai are exposed to a medium water shortage risk, and other bases are exposed to a low or very low water shortage risk;
- Flooding risk: The bases in Guangdong and Jiangxi are exposed to a very high risk of flood;
- Water quality risk: The bases in Sichuan, Qinghai, Shanghai and Thuringia, Germany are exposed to a very high water quality risk.

For the base operation risk, the Company conducts a comprehensive analysis of the production water consumption, production wastewater discharge and management measures of each base. Based on the results of watershed risk and base operation risk evaluation, the Company has specified CATL*, CATL-JS, UABC, CATL-SC, CATL-FD and CGBC as key bases for water management. The Company evaluated the water risk of all cathode and anode suppliers in the supply chain. The average watershed water risk of the suppliers was medium, with one supplier located in an area with very high watershed water risk.

Water Risk Evaluation and Countermeasures



Following the identification of water risks, the Company has enhanced its water risk assessment and monitoring system, building upon its current emergency response and risk management frameworks. With strategies for mitigating water risks in place, including an emergency response plan for water shortages and a supply assurance mechanism, the Company has adopted water-saving practices in its production and operational processes to optimize water resources management. Performance metrics related to water use have been integrated into the evaluation system and are tied to the compensation of staff at the battery production bases, incentivizing management to pursue further advancements in water management.

Packaging Material Management

The Company utilizes various packaging materials for shipping finished products, such as metal and plastic crates, polypropylene hollow sheet boxes, and renewable wood and paper containers. CATL regularly updates the *Packaging Design Specification* it developed to outline packaging design features, relevant regulations, and ensure compliance with marking and labeling standards.

The Company adopts the 3R1D (Reduce, Reuse, Recycle, and Degradable) design principle for its green packaging initiatives, focusing on the R&D and management of recycled, extreme, and composite packaging materials. It integrates metrics like minimizing disposable package weight, enhancing recycled package usage, and creating low-carbon solutions into the performance evaluations of relevant departments.

The Company prioritizes the use of reusable and renewable packaging materials. During the reporting period, the Company adopted a large number of packaging materials like metal, high-density polyethylene, etc., for battery packs, encapsulation modules and other products. These packaging solutions have a lifespan of 3-7 years and are sustainably processed post-use to meet environmental standards.

The Company enhances the lifecycle management of reusable packaging by developing a recycling operation system that enables real-time tracking of packaging movements, including storage, recovery, cleaning, maintenance, and disposal. Utilizing big data, it efficiently identifies and repurposes idle packaging for reuse. During the reporting period, this approach reduced new packaging inputs by about 20,600 units and increased the turnover rate of individual packages by 41%. Innovative strategies such as leasing and sharing of packaging have further boosted the reuse rate.

The Company adheres to lightweight packaging standards and advances the development of high-performance extreme and composite packaging. It diligently analyzes and optimizes packaging structures and lifecycle usage to push the boundaries of material limits and enhance composite material efficiency. During the reporting period, a packaging simulation project was undertaken to mimic real-world conditions in packaging, transport, and use, aiming to optimize packaging durability while minimizing excess material.

During the reporting period, the Company reduced wood usage by approximately 150,000 tons through the adoption of reusable packaging and the exploration of extreme packaging material limits.

Packaging Material Reduction Measures and Effectiveness

Reusable packaging

- During the reporting period, approximately 1,130,000 PACK battery packs and 5,330,000 modules were packaged in recycled packages.

Extreme packaging - lightweight

- The Company streamlined recycled packaging designs, removing unnecessary plastic and steel components after validation, cutting 30 kg of material per package. By the end of the reporting period, the 22,200 recycled packages were in use, saving around 667.5 tons of plastic and steel.
- During the reporting period, the Company introduced approximately 94,900 new energy storage packages, achieving a weight reduction of 120 kg per set, and about 241,600 extreme packages for energy storage and heavy-duty products, with each set being 10 kg lighter.

Composite packaging

- During the reporting period, the Company developed and gradually introduced a new PACK disposable paper-wood composite packaging that reduces weight.

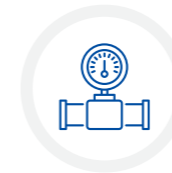
Low-carbon Production and Operation

Energy Management

The Company prioritizes energy management as a key to green manufacturing and decarbonization, achieving efficient operations through robust management, continuous improvement, and renewable energy use. During the reporting period, its direct energy consumption comprised natural gas, gasoline, and diesel, while indirect energy included self-generated and purchased electricity, as well as steam.

Main Energy Types and Their Use Scenarios

Direct energy



Natural gas

Power battery (cell) production, staff cafeteria gas



Gasoline

Company-owned vehicle operation



Diesel

Operation of Company-owned vehicles and backup diesel generator.

Indirect energy



Photovoltaic generation

Production and manufacturing



Purchased electricity

Electricity for manufacturing and dormitories



Purchased steam

Power battery (cell) production

The Company establishes and improves energy management systems in accordance with ISO 50001 and other standards. It formulates several management systems and procedures. These include the *Management Procedures for Energy Laws, Regulations and Other Requirements*, the *Management Procedures for Target Indicators of Energy Performance Parameters*, the *Control Procedures for Energy Monitoring, Measurement and Analysis*, the *Management Control Procedures for Energy Procurement*, the *Energy Review Procedures*, the *Energy Measurement and Management System*, etc.

During the reporting period, the Company introduced the *Management of Energy and Carbon Emission Data* procedure to specify the management of energy data linked to greenhouse gas (GHG) emissions, improving its energy and carbon data management. Additionally, it established the *Standards for Evaluation of Energy Rewards and Punishments*, directly tying the energy and resource consumption metrics (electricity, natural gas, steam, and water) at each production base to the performance-based compensation of the respective managers.

As at the end of the reporting period, 100% of the energy management systems of the battery production bases which are in stable operation and qualified for certification, including CATL* and CATL-SC, have been audited to comply with the requirements of ISO 50001:2018 and have obtained the corresponding certification certificates. CATL* underwent an internal energy measurement audit and successfully passed an audit by the Ministry of Industry and Information Technology and an expert group. The Company plans to continue energy audits for the remaining bases as scheduled.

The Company puts in place ongoing energy conservation and efficiency-improving initiatives in manufacturing to optimize energy use. During the reporting period, it advanced 538 energy conservation and optimization projects, achieving annual savings of 585.65 million kWh in electricity, 28.1 million m³ in natural gas, and 165,863 tons in steam. These efforts resulted in an approximate reduction of 440,913.14 tons of CO₂e emissions.

Key Energy Conservation Projects and Progress

	Key projects	Progress
Equipment optimization	Motorized control for exhaust air of electrolyte injection	Integrating electric actuators and centralizing control operations led to an annual CO ₂ e reduction of about 1,110 tons at a single base.
	Energy efficiency improvement of cooling tower	Improvement of the heat exchanger system of the cooling towers and enhancement of the cooling efficiency resulted in a reduction of about 1,500 t CO ₂ e per year at a single base.
	Energy conservation of steam condensate	Management measures to control steam condensate emissions and reduce condensate leakage from traps resulted in a reduction of approximately 3,600 t CO ₂ e per year at a single base.
	Energy conservation of air compressor system	Reducing the supply pressure of compressed air and minimizing pressure loss in station filters and dryers, cutting CO ₂ emissions by 1,300 tons annually at a single base.
System support	Establishment of energy management system	The Company extensively advances the construction and expansion of CFMS, achieving real-time control, early warning, detailed statistics, trend analysis, and energy consumption prediction for each production process and facility system.
	Whole life cycle management of power equipment	The Company carries out top-level, comprehensive lifecycle management from plant planning, design, construction, business operations, to maintenance, achieving a 3% annual improvement in power equipment energy efficiency.
	Expansion of energy conservation projects	By virtue of the plant information system platform for the Company's bases, 246 energy conservation projects have been expanded.

Renewable energy, with its lower carbon footprint during generation and use, allows the Company to significantly cut emissions via renewable substitutions. Throughout the reporting period, it added 166 MW to its distributed photovoltaic (PV) capacity, reaching a total of 302.1 MW by period's end. The distributed PV systems generated 241,548.61 MWh, equivalent to reducing 197,103.66 tons of CO₂e emissions. Through market-based trading, 65.43% of the Company's electricity consumption was zero-carbon, marking a 38.83% increase from 2022.

The Company commits to the energy principle of "Full Support, High Efficiency and Low Consumption, Compliance with Laws and Regulations, and Green Factories", actively promoting office greening. It never ceases to raise low-carbon and energy-saving awareness among employees through publicity and training. During the reporting period, it optimized the use of air conditioners, elevators, lighting, and other office equipment to enhance energy efficiency. The Company also initiated an Energy Conservation Awareness Week with the theme "Joint Efforts for Energy Conservation and Carbon Reduction", engaging employees in various activities like popularization, knowledge contests of energy conservation and carbon reduction to deepen their understanding. Over 1,000 employee suggestions for operational improvements and energy savings were collected, contributing to the Company's carbon reduction efforts. Special training sessions on topics like "Carbon Footprint" and "GHG Accounting" were conducted, laying a foundation for further energy conservation, carbon reduction, and achieving carbon neutrality.

Carbon Emission Management

Following the GHG Protocol and ISO 14064-1:2018 standards, the Company conducts regular GHG inspections at operational battery production bases and engages third parties for independent verification at bases with significant GHG emissions, ensuring a solid data foundation for carbon emissions.

During the reporting period, the Company verified its 2022 GHG emissions, with results and certification detailed in *CATL 2022 Carbon Emission Accounting Report*. It also estimated 2023 GHG emissions, analyzing the reasons for changes in the total amount of emissions based on energy consumption and energy use structure. The Company routinely publishes reports on emission performance, accounting methods, third-party verifications, and carbon reduction progress.



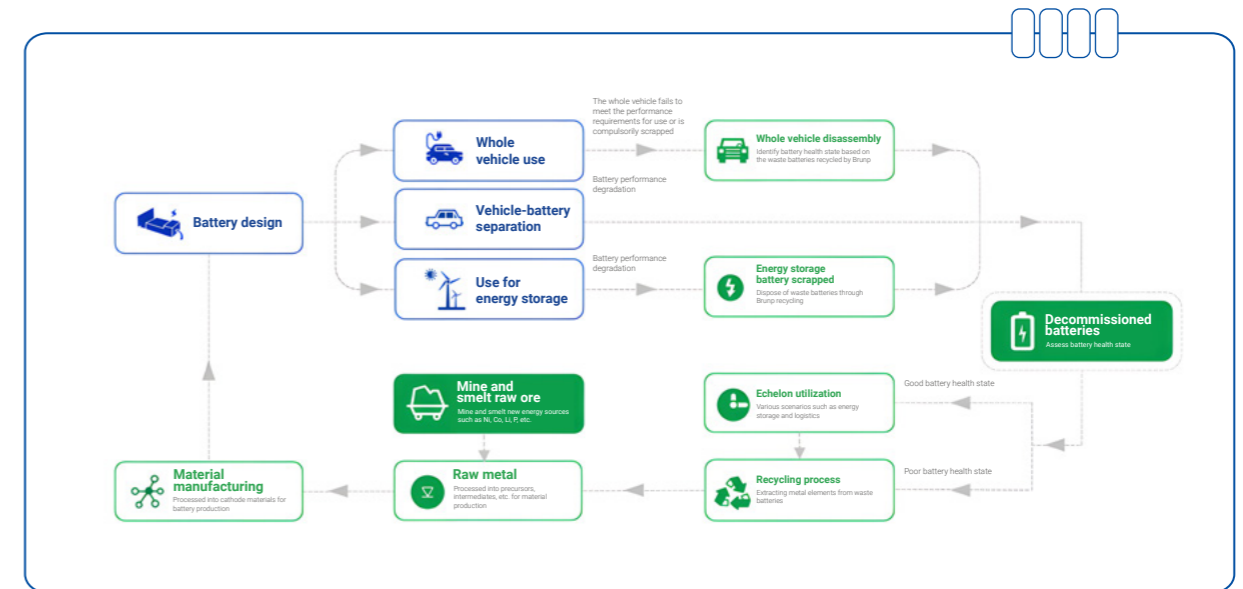
Green Recycling

Traction batteries, comprising valuable metals like cobalt, lithium, nickel, and copper, pose resource wastage, environmental, and safety risks if improperly disposed of when decommissioned. The Company is dedicated to creating a sustainable recycling ecosystem for raw materials and battery products. It aims for high-quality recycling via technological innovations, promoting resource efficiency and interactive symbiosis between humans and nature.

Brup Recycling, a key subsidiary within the Company's battery industry ecosystem, is pivotal in developing a comprehensive battery recycling system that spans the entire industry chain, leveraging synergies between upstream and downstream sectors. By establishing a systematic recycling framework and advancing recycling and processing technologies, Brup Recycling efficiently recovers valuable metals, non-metals, and polymers from waste batteries. It reintegrates materials from decommissioned traction batteries into primary manufacturing through Reverse Product Positioning Design and Directional Recycling Technology. With this approach, Brup Recycling has pioneered solutions for "waste reduction" in global waste battery recycling, achieving a recovery rate of 99.6% for nickel, cobalt, and manganese, and 91.0% for lithium.

Brup Recycling has established seven bases located in Foshan in Guangdong, Changsha in Hunan, Yichang in Hubei, Pingnan and Fuding in Fujian, Morowali and Weda Bay in Indonesia. It has established scientific research platforms relying on the National Enterprise Technology Center of China, the National and Local Joint Engineering Research Center for EV Battery Recycling, the Brup Sub-center of National Engineering Research Center for Electrochemical Energy Storage Technology of China, the CNAS Certified Testing and Verification Center.

By the end of the reporting period, Brup Recycling contributed to the development or revision of 369 standards related to waste battery recycling and battery materials, with 259 already published, and filed 4,527 patent applications. During the reporting period, it also introduced a method for traceability of recovered materials and established a recovered material standard, enabling both forward accounting and reverse traceability of recovered materials. Furthermore, it collaborated on releasing a Integrated Carbon-right Method of traction battery recycling, aiming to foster international alignment and recognition of carbon footprint methodologies. Notably, Brup Recycling received the "First Prize of Guangdong Science and Technology Progress Award 2022" and was recognized as on the *List of Demonstration Enterprises for Green Design of Industrial Products (Fifth Batch)* by the Ministry of Industry and Information Technology of China.



Biodiversity Protection

The Company is continuously concerned about the impact of its own activities on biodiversity. In line with relevant laws, regulations and policies, including the *Environmental Protection Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, 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 Environmental Pollution by Solid Waste*, the *Opinions on Further Strengthening Biodiversity Protection* published by the General Office of the State Council, the Company identifies risk factors and investigate hidden risks.

During the reporting period, the Corporate Sustainability Management Committee identified and analyzed biodiversity-related risks affecting the Company and provided management proposals to enhance environmental impact assessment documents. Following the *Technical Guidelines for Environmental Impact Assessment: Ecological Impact* (HJ 19-2022) and considering the project reality, all new project environmental impact assessment reports included biodiversity assessments. The aim was to evaluate the effects of construction projects on plant and animal resources, and other organisms during both construction and operation phases.

During the reporting period, the Company's production bases for batteries, battery materials and recycling were located in mature industrial parks, all of which stand on industrial land. The Company does not have any production bases or operation sites in or near biodiversity-rich areas, including nature reserves. Furthermore, there have been no significant impacts on biodiversity from the Company's production and operation activities, products, or services.

In the battery mineral resources project, the Company strictly controls the designated construction area during the process, regulates the transportation vehicles' routes, and promptly undertakes re-greening efforts, such as grass seeding or tree planting, in areas where construction is completed.

04

Society

- Employees' Rights, Benefits, and Welfare
- Talent Training and Development
- Occupational Health and Safety
- Making Contribution to Social Value

Employees' Rights, Benefits, and Welfare

Protection of Employees' Rights

The Company strictly complies with the *Labor Law of the People's Republic of China* and other pertinent regulations, including those relevant to overseas operations. It also refers to international standards such as the International Labour Organization (ILO) conventions to regulate the management of recruitment, dismissal, remuneration, promotion, working hours, holidays, and more, all aimed at safeguarding the legitimate rights and interests of employees.

The Company adheres to legal employment and explicitly prohibits the employment of child labor and forced labor. In recruitment, it strictly follows local laws and regulations, ensuring employment contracts are clearly understood by employees in their language. The Company forbids forced labor and refrains from retaining government-issued identity cards and travel documents to ensure voluntary work. Throughout the reporting period, all regular employees were over 18 years old and had signed employment contracts.

Recruitment and dismissal

- Uphold the principle of "Openness and Fairness" by treating all applicants equally and selectively recruiting workers.
- Conduct dismissal in accordance with the local laws and regulations at the place of operation.

Remuneration and promotion

- Adhere to the principle of pay equity and implement a competitive compensation system. Tailor remuneration structures based on employee roles, skills, performance, and market standards to offer competitive salaries.
- During the reporting period, based on changes in government policies, the Company updated and issued systems such as the *Rules for Issuance of Monthly Performance Bonus*, the *Rules for Localization Management of Overseas Dispatch*, the *Rules for Reimbursement of Expatriates' Home Visit Benefits* and the *Rules for Management of High Temperature Allowance* to clarify the management of remuneration and benefit.
- Establish a performance-based incentive remuneration mechanism to encourage all employees to grow with the Company.
- Set up a recognition-based incentive system to inspire teams and individuals striving for innovation and excellence by evaluating honorary awards.
- Establish transparent internal promotion pathways to foster employee growth, uphold open, fair, and equitable promotion management principles, and institute a systematic promotion process to nurture exceptional talent within the Company.

Working hours and holidays

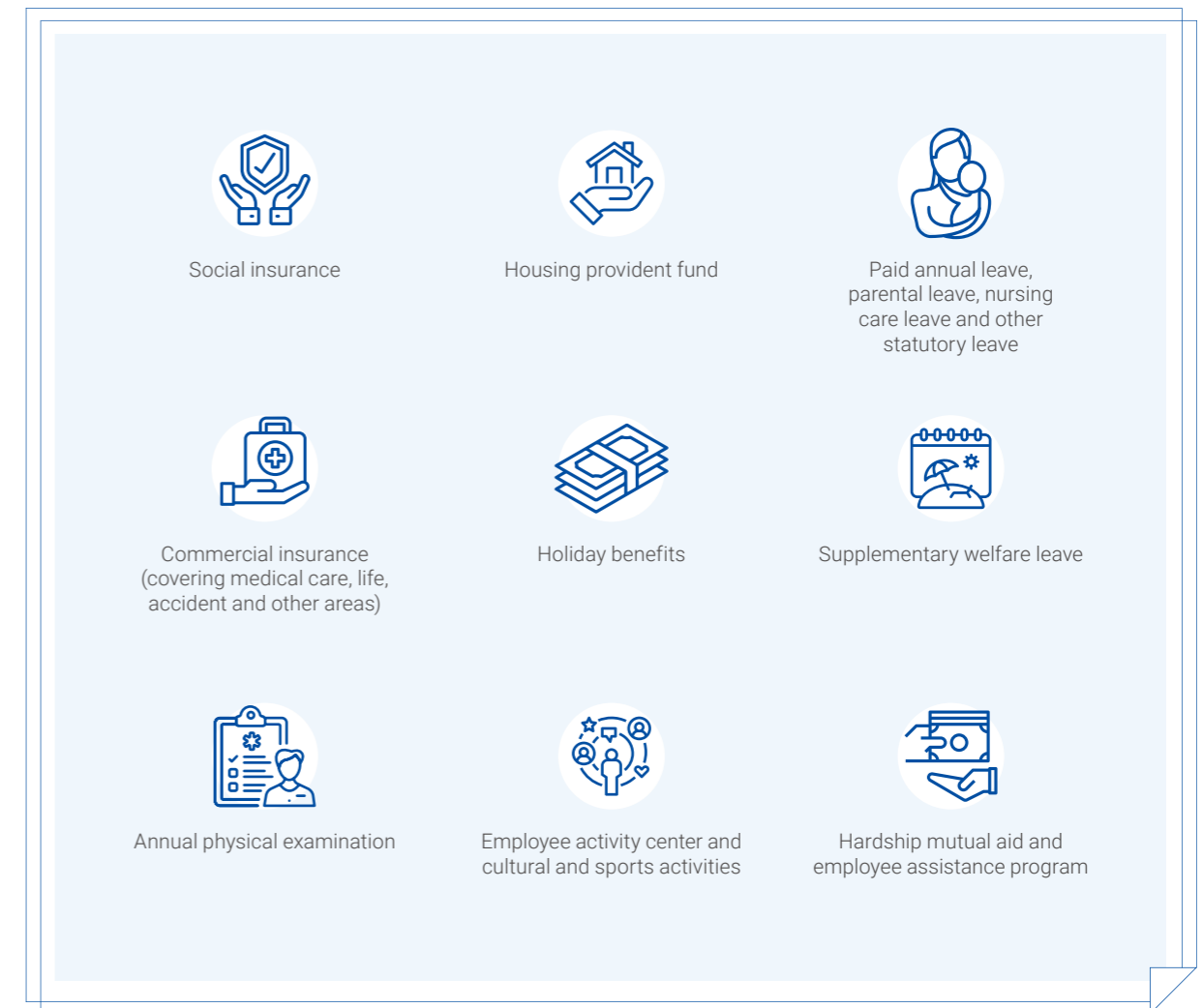
- During the reporting period, the Company updated and issued the *Attendance Management Rules* and the *Management Rules for Leave and Vacation* and other systems, strengthened the administration of annual leave, added one-child nursing leave and furthered the implementation of the administration system for parental leave.
- Schedule shifts based on production requirements. Employees must request approval in advance for extended working hours if needed.
- Regularly manage the arrangement of working hours, communicate the overtime schedule of production line workers to the management, and promptly adjust work hours to ensure their physical and mental well-being.

During the reporting period, the Company undertook special initiatives on overseas human resources management to advance the globalization and integration of its HR management system. These efforts aimed to enhance compliance with the diverse legal frameworks and the humanistic environments across various overseas jurisdictions.

Employee Benefits and Care

The Company offers comprehensive benefits to all employees, encompassing social insurance, welfare leave, holiday benefits, cultural and sports activities, and more. It endeavors to enhance employees' cultural experiences and prioritizes their physical and mental well-being. Continuous support is provided to employees facing challenges, fostering a joyful and harmonious work environment.

Summary of Employee Benefits



The Company establishes a CATL people-centric "Cohesion, Action, Respect & Empathy" (C.A.R.E.) care system to address the needs of its employees. This system is reinforced through a cyclical operational approach of "Promotion → Practice → Communication → Practice", to promote the improvement of the employee care system, and aims to enhance the management abilities of frontline staff and to build psychological care. Throughout the reporting period, the Company organized a total of 1,696 cultural-themed activities, including "Production Themed Activities", "Team Building", and "Role Model Power".

Through initiatives such as the "Teamwork Culture Team" and "Difficulty Elimination System", the Company strives to cultivate self-reliant employee teams characterized by execution and cohesion, alongside a service-oriented management team grounded in respect and empathy. Throughout the reporting period, the Company hosted a total of 4,749 employee communication sessions, with a total attendance of 97,411 employees.

The Company prioritizes the psychological well-being of its employees by establishing the Positive Organization Promotion Committee and forming a professional psychological care team to deliver psychological support to employees. It also provides training sessions on the "Employee Assistance Program (EAP)" for labor union members at each base. This initiative aims to empower the bases to provide psychological counseling to employees effectively.

Mental health care measures for employees

- Identify and provide support for employees experiencing emotional challenges by engaging third-party professional psychological counselors to offer guidance and intervention to employees and their immediate family members. During the reporting period, resident counselors assisted employees a total of 533 times, while remote counselors supported employees 831 times in total.
- Annually conduct mental health checkups and engage counselors to follow up with employees identified with psychological risks, such as depression, based on the results. Approximately 100,000 employees underwent mental health assessments during the reporting period. These checkup findings inform the implementation of the Employee Assistance Program (EAP) and management enhancements.
- The Company opens a free psychological counseling hotline, distributes mental health reading materials, puts up thematic publicity posters, and carries out monthly mental health activities. These efforts are made to enhance the mental health awareness of all staff. By the end of the reporting period, the free psychological counseling hotline had served a total of 1,718 employees.

The Company organizes periodic women's health lectures and offers free screenings for "cervical cancer and breast cancer" for female employees. Infrastructure enhancements for pregnant employees include the provision of baby care rooms across all bases. Pregnant employees receive care packages and access to pregnancy-related professional information. Additionally, female employees are granted additional holidays, such as pregnancy and breastfeeding leave, in addition to statutory leave entitlements.

The "CATL Mutual Aid Emergency Fund" was established by the Company to assist employees facing hardships. Throughout the reporting period, the fund enhanced its management procedures, processed and reviewed 235 applications, and disbursed mutual aid subsidies totaling RMB 2,758,800.

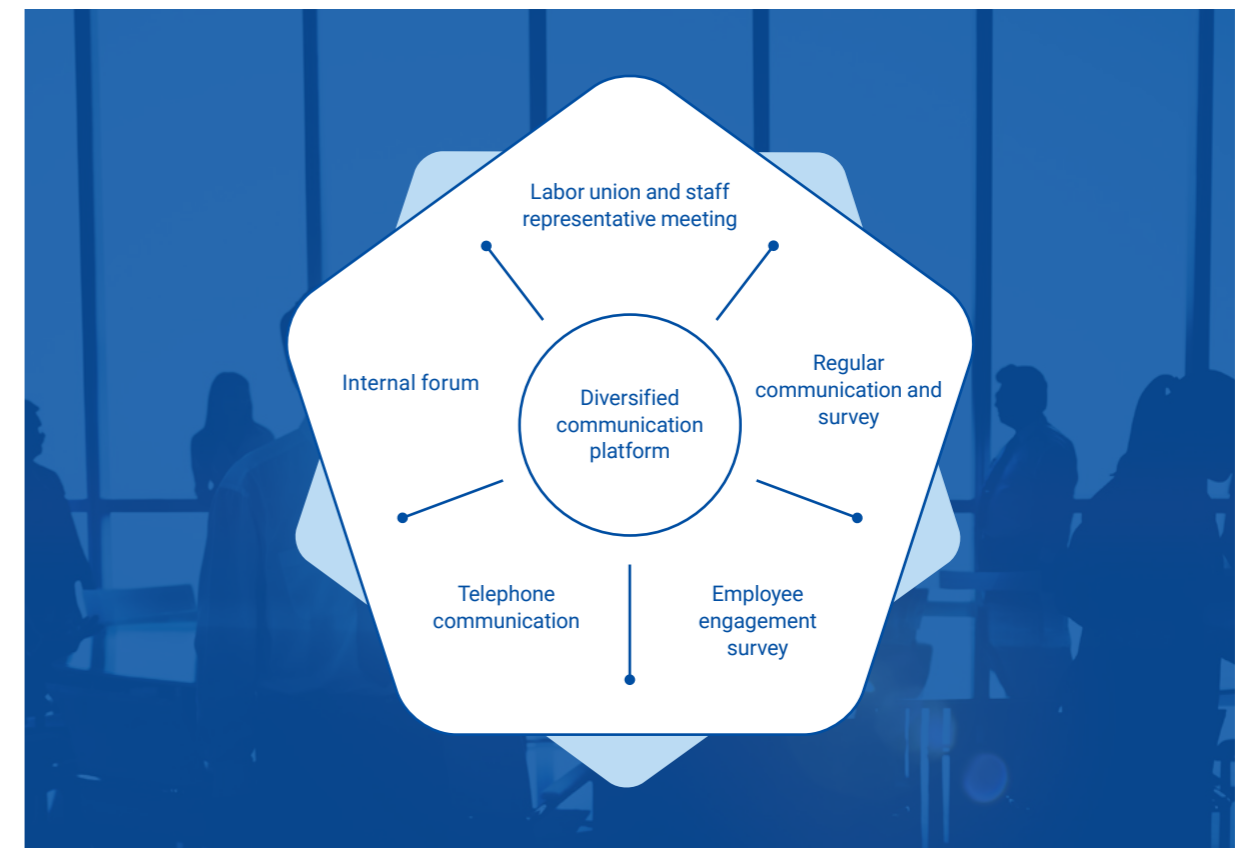


Equal Communication and Diversity

The Company upholds a culture of equality, diversity, and innovation, promoting zero tolerance for discrimination. It fosters a transparent and trusting environment that values diversity and tolerance. Across recruitment, compensation, training, and promotion, the Company strictly prohibits discrimination based on factors such as age, disability, nationality, gender, marital status, nationality, politics, race, religion, sexual orientation, union affiliation, etc. Adhering to the *Policy on the Protection of Labor Rights and Interests*, the Company refrains from mandating pregnancy or physical tests for applicants unless required by law or safety considerations. It may not discriminate against the applicant because of the examination results. Rigorous interviewer selection processes and professional training are enacted to ensure fairness, following the principle of avoidance and not arranging interviewers related to the applicants to participate. Efforts to uphold professionalism and fairness in talent selection are ongoing. During the reporting period, there have been no incidents of discrimination in the Company contrary to the above requirements.

The Company explicitly opposes workplace harassment and protects employees from sexual harassment, threats and intimidation at work. Anti-discrimination and anti-harassment protocols are integrated into the "Code of Conduct" of new employee orientation training to ensure that all employees are aware of the Company's management policy on equal employment and anti-harassment in the workplace upon joining. In the case of an incident, the Company will investigate and deal with the case according to existing systems and to deter recurrence.

The Company fosters mutual understanding and communication among employees from diverse nationalities, regions, and cultural backgrounds. As overseas operations continue to expand, efforts to promote cultural integration include cross-cultural training, language acquisition, and psychological support. Regular language exchange meetings and counseling sessions are organized by local branches to listen to the voices of expatriate employees. During the reporting period, cultural integration training sessions on topics like "Responding to Risks in Overseas Business" and "Cultivating Internationalization Capabilities" engaged over 3,000 employees.



Telephone communication

- The Company has set up a 24-hour service hotline, an employee relations hotline, and a labor union hotline to receive employee inquiries and complaints. According to the employees' demands, the Company handles the employees' complaints and follows up the issue and gives feedback.

Internal forum

- The Company has set up an internal network forum to encourage all employees to provide anonymous or real-name feedback on personal problems encountered in work and life on the basis of legal compliance.

Labor union and staff representative meeting

- All employees are eligible to join the labor union and the Company respects the wishes of employees to participate in the labor union.
- The Company holds annual staff representative meetings to uphold employees' rights to information, participation, expression, and oversight. It fully backs the democratic management and supervisory role of staff representatives, safeguarding the legitimate rights and interests of employees.
- The Company submits proposals for the establishment or modification of employee-related policies, such as working hours, vacation, workplace safety, occupational health, training, and remuneration, to the staff representative meeting for consultation. These proposals are formally implemented upon approval by the votes of the staff representatives.

During the reporting period, the Company held three staff representative meetings to consider and approve the *Implementation Plan for Irregular Working Hours*, the *Attendance Management Rules*, the *Work Safety Management Policy*, the *Instructions for the Identification of Occupational Hazards*, and the *Code of Conduct*, as well as other updates to the system.

Regular communication and survey

- Regular communication sessions for new employees
- Monthly communication meeting for serving employees
- Labor union visits and survey

Employee engagement survey

- The Company carries out employee engagement survey every six months with focus on employees' basic needs, management support, teamwork, and employee development, encompassing twelve key areas like employee satisfaction, work objectives, and morale. Over 90% of engineers and staff partake in this survey. Subsequent to analyzing the outcomes, the Company undertakes internal evaluations and introspection regarding prevailing management issues, striving to enhance the competency of its management cadre.

Talent Training and Development

Talent Echelon Construction

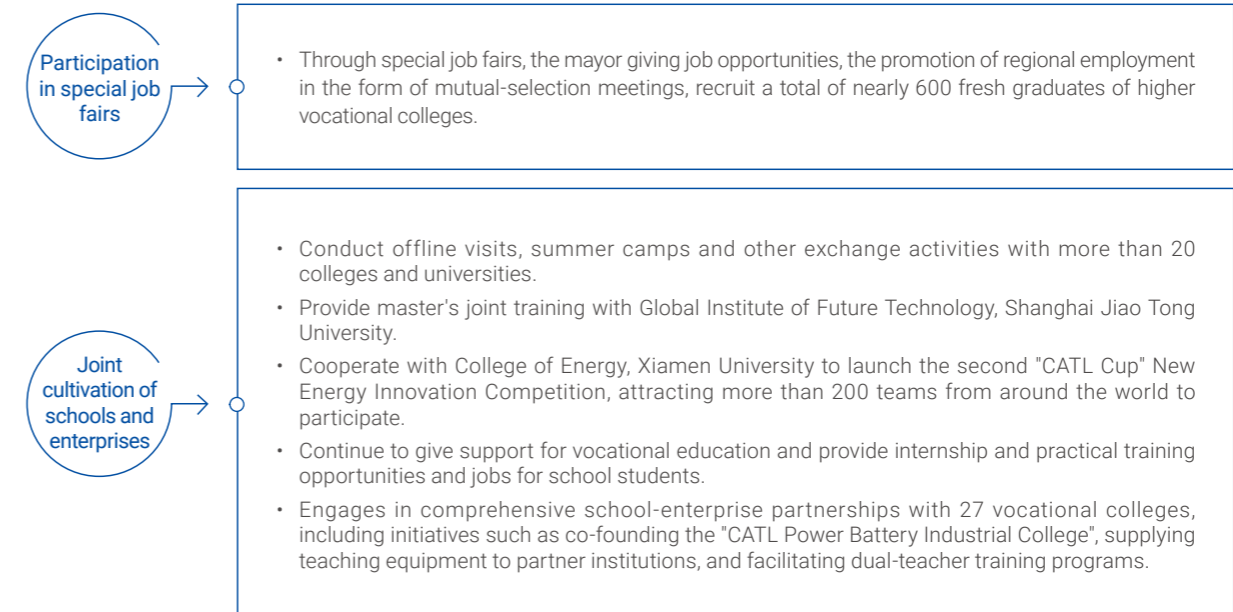
The Company is dedicated to developing a professional, diverse, and international workforce. It regularly conducts talent inventories to support strategic decisions in talent "Selection, Training, Employment, and Retention". Employees are comprehensively assessed on their potential, performance, and experience. The inventory compiles data using a blend of comprehensive personality metrics, 270-degree surveys, team atmosphere evaluations, leadership analysis systems, and managerial assessments, culminating in the Talent Inventory Calibration Meeting. These findings enable the Company to forecast talent needs accurately and diversify its talent sourcing strategies. By leveraging social media, recruitment websites, and partnerships with educational institutions, the Company continuously refines its talent acquisition processes to fulfill future personnel requirements effectively.

During the reporting period, the Company performed a talent inventory encompassing roughly 15,000 employees. This effort resulted in the formulation of talent inventory matrices, reserve talent strategies, and recommendations for both corporate and personnel development. Talent demand forecasting was also conducted to bolster organizational management capabilities.

In talent acquisition endeavors, the Company consistently expands its recruitment avenues. Collaborating with prestigious domestic and international universities, research institutions, and technical colleges, it seeks to attract high-caliber individuals and leverage synergistic benefits in talent development. Various methods, including job fairs, university-industry partnerships, internship initiatives, and employee referrals, among others, are employed to onboard top-tier talent.

The Company prioritizes the establishment of globally-oriented talent acquisition channels. Recognizing the cultural disparities across various nations, it collaborates with specialized agencies to cultivate its international employer brand by tailoring interview protocols and recruitment procedures accordingly. Emphasizing the candidate experience, the Company offers robust talent support for its overseas ventures.

Recruitment Channel and Results in 2023



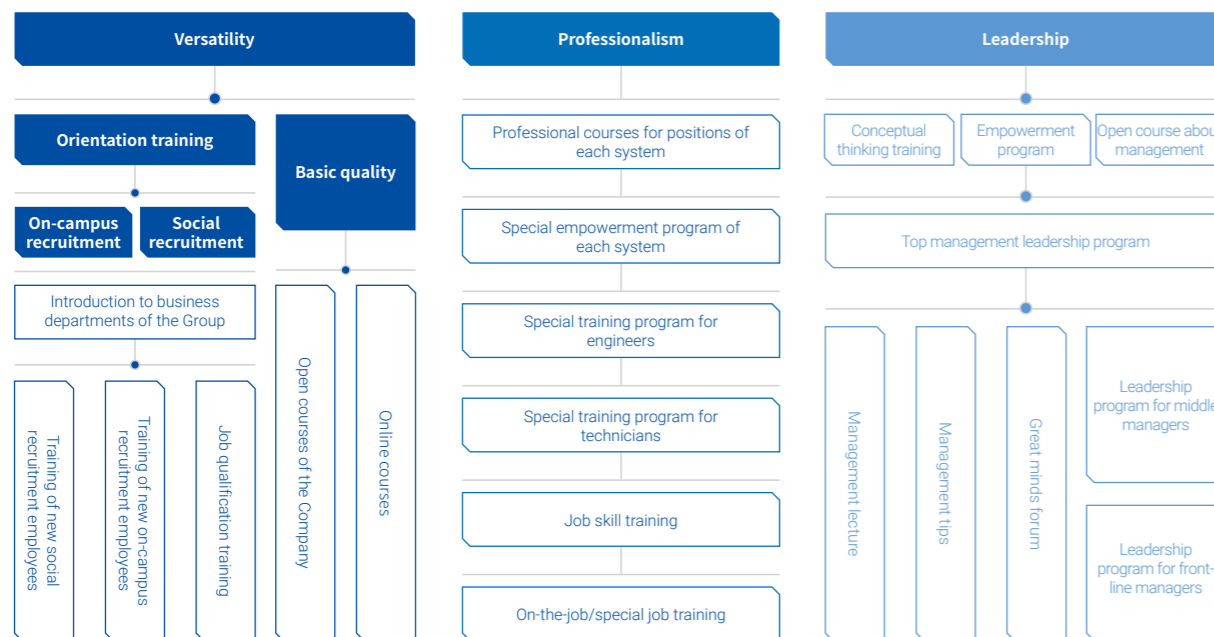
To foster talent mobility and facilitate career diversification among employees, internal job applications are encouraged through the Company's published recruitment information. During the reporting period, the Company revised its internal talent mobility policy to facilitate healthy and structured employee movement within the organization. Approximately 4,060 employees were internally transferred. The Company analyzes various business scenarios to identify the knowledge, skills, and experience required for different positions. Assessment criteria for key talent abilities and skills are established. Portraits of key position talents are developed, and systematic and diverse learning activities are designed and matched accordingly. A systematic learning map is established to rapidly cultivate and develop key position talents to meet business development needs.

The Company screens high potential talents through business case interviews and behavioral observation, and cultivates them through course training, practical projects, study tours and quality development.

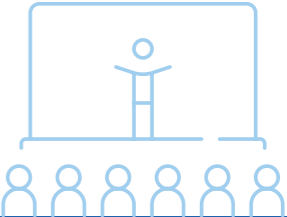
Employee Cultivation

The Company promotes a "culture of rapid learning" and endeavors to establish a comprehensive and systematic talent development system, evolving into a learning organization. Its employee training system comprises three core modules: versatility, professionalism, and leadership. An exceptional training team is tasked with designing programs and managing operations. This robust training system aids in cultivating a talent pool with strong foundational skills, bolstering organizational capabilities, and aligning with the Company's business and strategic objectives.

Employee Training System



Construction of the Group's learning resources (courses, lecturers, platforms)
Resource sharing mechanism of the Headquarters systems and bases, training and development support for career development process

Training item	Annual progress
Versatility	
<p>The Company implements a structured and tiered new employee orientation training system, facilitating the swift integration of newcomers into the Company. This training encompasses various topics, including general Company information, information security, employee integrity, plant management, as well as compliance-related aspects such as anti-discrimination, anti-sexual harassment, and the eradication of child labor and forced labor.</p> <p>To enhance the professionalism of employees, the Company provides basic quality training courses for the front line.</p>	<p>During the Reporting Period,</p> <ul style="list-style-type: none"> Conduct 1,647 new employee training sessions, with 100% coverage of new employees; Approximately 23,000 employees participated in the Company's open courses. 
Professionalism	
<p>Customized courses based on the technical needs of the job are designed to enhance the professional and technical capabilities of the entire staff. The training covers all employees, and the courses include job-specific courses, special empowerment programs, special training programs for engineers and technicians, job skill training, and on-the-job/special job training.</p>	<p>During the Reporting Period,</p> <ul style="list-style-type: none"> Increase the proportion of employee maintenance man-hours from 16.1% to 37.1% via the implementation of the professional and technical training program for technicians; Run "Master Class - Electrochemistry Salon" to share and refine the latest research results on the most challenging scientific or technical issues in the industry, and build the world's leading lithium electrochemistry knowledge map; Create "Data Analysis Club" activities, including data analysis salon, forming data analysis team and conducting data analysis exchange meetings; Conduct purchasing manager reserve training program, skill competition, etc., covering over 10,000 employees; Administer engineering capacity enhancement training sessions encompassing programs such as "Six Sigma Green Belt", "Six Sigma Yellow Belt", "Probability and Statistics", and other relevant courses, benefiting nearly 4,000 employees.
Leadership	
<p>The Company customizes its leadership enhancement courses for different positions. The training covers all employees, and the courses include leadership programs for front-line, junior, intermediate and senior managers, management lectures, great minds forums, management tips, conceptual thinking training, empowerment programs, open courses about management, etc.</p>	<p>During the Reporting Period,</p> <ul style="list-style-type: none"> Organize the management lectures and the great minds forums, with more than 21,000 participants through online and offline forms; Organize leadership development training programs at various levels such as "Core Capability", "Core Energy", "Core Power", "Core Driver", "Core Sailing", and "Core Endurance", involving more than 4,500 employees; Carry out "Excellent Leadership" project for front-line and middle managers at overseas production bases; Co-host high potential talent classes with Shanghai Jiao Tong University, Tsinghua University, and Peking University, and worked with China Europe International Business School (CEIBS) to offer EMBA and senior management courses.



To foster the accumulation and transmission of knowledge and skills, CATL has set up a sound internal trainer management and incentive system, autonomously developed learning materials, and established a self-education platform. During the reporting period, CATL revised the *Detailed Rules for the Management of Internal Trainers*, simplified the internal trainer application process, and optimized the evaluation criteria for outstanding coaches. Staff coaches enhanced their professional competencies and pride through participation in teaching enhancement training and organizing events like the "Teacher's Day Carnival". During the reporting period, the Company onboarded 406 new staff coaches, bringing the total count to 1,451.

Furthermore, the Company offers support to employees seeking to advance their education through tuition assistance, thereby improving their comprehensive competence and upscaling their competitiveness in career advancement. Collaborating with the National Open University, Ningde Campus, the Company initiated the "Realize Learning Dreams" program to put up a platform for employees to learn, communicate, and develop. During the reporting period, over 2,000 employees enrolled in the education advancing program at National Open University, with over 500 graduating from the program.




Promotion and Motivation

CATL adheres to the principles of "Openness, Fairness, and Justice" in its promotion management practices, consistently refining and enhancing a systematic promotion management process. This ensures that exceptional talent is recognized and provided with opportunities for growth within the Company. Throughout the reporting period, CATL revamped and restructured positions and ranks, creating diverse developmental pathways in management, research, technical expertise, and operational roles. The Company respects and supports employees in choosing their career development trajectories.

The Company has formulated the *Personal Performance Management System* to carry out monthly and annual performance appraisal for employees at different levels. This is an important basis for employee compensation, promotion, bonus, etc. Employees' violations of discipline and regulations in incorruption, information security and other aspects are included in the performance appraisal.

The Company conducts open and equitable promotions for employees at all levels on an annual basis. Promotion policies, including nomination criteria, the promotion process, evaluation mechanisms, and forms, are transparently disclosed to upper management and department heads. The promotion results are publicized to uphold the fairness and integrity of the promotion process.

Performance Assessment Method and Frequency

Assessment method	Assessment content and frequency
 Management by objectives	Based on job responsibilities and division of labor, CATL breaks down the organizational performance objective from top to bottom, sets personal performance objectives, and clarifies performance requirements and ways to achieve objectives. Annual performance targets are also established, and progress towards these targets is communicated, reviewed, and updated every six months to ensure the fulfillment of personal objectives.
 Management of organizational performance by objectives	CATL sets the organizational performance objective, and synchronizes it with personal goals by breaking it down to personal performance objectives. Annual personal performance reviews are conducted to ensure the successful achievement of organizational goals. Moreover, the distribution proportion of personal performance results is positively correlated with organizational performance achievement.
 Performance improvement management	The entire staff engages in agile communication throughout the performance management process. Combined with performance activities such as goal setting, process coaching, result feedback, and performance improvement, the Company has aligned its objectives, conducted a gap analysis and result feedback according to the behavior of employees in different performance cycles, and formulated performance improvement plans and provided resource support for employees.

To enhance the selection of cadres and key talents, CATL has developed and continuously refined the cadre capability and quality model. It has set up an interview mechanism to select and appoint cadres and key talents, conducting comprehensive assessments based on "organizational principle (culture propagation), business capabilities (management skills), team development (subordinate training), and personal attributes". This assessment evaluates candidates' suitability for their positions, providing a decision-making framework for talent selection.

CATL actively communicated with employees who are inclined to leave, understood their demands, and assisted the departments to continuously improve and adjust the management style. Through direct interviews and pre-exit communication sessions, its managers and team care-staff understood the reasons for employee turnover, listened to their real grievances and gave relevant advice to reduce employee turnover.

To build a robust workforce, CATL has enhanced its medium- and long-term incentive mechanisms to attract and retain skilled managers and key personnel. Since going public, the Company has persistently pursued equity incentives, granting a total of 19,000 stock-based financial rewards. By the end of the reporting period, a total of six incentive plans had been implemented, utilizing tools such as restricted stocks and stock options, with over 61 million shares, restricted stocks, or options granted.

Occupational Health and Safety

Work Safety

CATL has prioritized safety through its "Safety First: Prevention-Oriented and Integrated Management" policy, strictly adhering to *Work Safety Law of the People's Republic of China* and regulations for overseas operations. A robust work safety management system has been established to foster a healthy and secure work environment. As of the reporting period's end, all stable and certified production bases have successfully obtained ISO 45001:2018 certification for occupational health and safety management systems. Additionally, ongoing construction and newly built bases are actively investing in implementing the ISO 45001 standard. In addition, CATL, CATL-QH, CATL-SC, CATL-JS, and UABC have passed the second-level standard assessment of China occupational safety and health management system. CATL-JC, CATL-FD, CATL-XJ, CATL-ZQ, CAML-JT, CETL-PN, PNRN, and CFBC have passed the third-level standard assessment of China occupational safety and health management system. Other bases carried out the construction of China occupational safety and health management system and compliance certification as planned.

The Company has set six "Zero" targets for work safety, and annual work safety goals based on the annual business focus and the occurrence of accidents.



Work Safety Management System

Organizational Structure

- The Company has formed the Work Safety Committee as its top leadership body for safety matters. The Chairman of the Board of Directors serves as the Director of this committee, with other Board members and senior management also participating. The Committee is responsible for reviewing and approving work safety policies and addressing significant safety concerns. Quarterly meetings are held to coordinate and advance safety management efforts.
- The Company set up the Environment, Health and Safety (EHS) Department in the headquarters and each branch/subsidiary as its full-time management agency for environment, safety and occupational health, to perform safety supervision and management duties.
- The Company has appointed safety representatives in all departments, comprising both staff and ordinary employees. These representatives aid in internal safety audits, develop relevant safety management systems as needed, and conduct routine inspections to identify potential safety hazards. Their role ensures the implementation of safety management requirements across all levels of the organization.
- The Company established a "four-level safety management grid", and clarified the safety responsibilities of grid personnel at different levels with structured work lists, to achieve full coverage of safety management for minimal production and service units on site.

System Construction

- The Company formulated the *CATL Safety Production Management Policy* and the *Safety Production Responsibility System* as the guidelines for safety management.
- In strict adherence to local regulations and policies, overseas production bases have integrated the Company's work safety management policy, establishing a tailored management system aligned with their specific circumstances.
- The Company facilitated the efficient functioning of its internal management system and safeguarded employee rights and interests through reviews at employee congresses and audits conducted by safety representatives. To enhance work safety management systems, relevant department safety representatives are invited to review them, followed by submission to department heads for approval prior to formal implementation.
- During the reporting period, based on the annual update requirements of work safety standardization procedures and actual production needs, the Company added nine work safety management systems and updated 27 work safety management systems, involving work safety management policies, accident/potential risks identification and control, special operation safety and rewards/punishments.

Risk identification and control

- The Company establishes a risk classification management and control mechanism along with a hidden hazard investigation and management mechanism. It conducts regular comprehensive risk identification and evaluation to identify and catalogue hazards within the organization.
- For identified hazards, the Company employs engineering, technological, managerial, and other measures to control and classify them. It designates employees of varying levels to manage and monitor hazards accordingly and conducts regular investigations to eliminate hidden hazards.
- The Company has established a complete mechanism for handling work safety incidents, classified the accidents according to the *Report, Investment and Settlement Procedure of EHS Accidents*, and established a classified reporting system and a corresponding management process for signing, approval, implementation and closure.

Cultural Construction

- CATL has established a three-tier training system aimed at fostering a safety culture among all employees. Level I encompasses training for all workers and staff, including new employee orientation and annual safety training, covering a spectrum from fundamental safety knowledge to contingency protocols. Level II training primarily occurs at the departmental level, while Level III focuses on job-specific safety training.
- The Company conducts specialized safety training, covering accident awareness education, internal safety management system implementation, and compliance training. Throughout the reporting period, a total of 19 accident awareness education and training sessions were conducted.
- The Company organizes regular "Work Safety Month" education campaigns to publicize and popularize the knowledge of work safety to employees. During the reporting period, the Company launched eight work safety activities in the "Work Safety Month", such as safe Virtual Reality (VR) experience and "Widespread Safety Outreach to Eliminate Safety Risks", attracting about 240,000 participants in 20 branches/subsidiaries.
- To link employee performance with work safety, all employees must sign the *Responsibility Letter for Work Safety*. The Company establishes performance safety deductions for each department and base, linking the attainment of work safety targets to performance evaluations. It cascades work safety objectives and responsibilities across different levels and conducts year-end reviews to assess the achievement of work safety objectives.
- The Company has instituted a "Full Participation in Safety Reporting" mechanism, urging all employees to report any hidden safety hazards encountered during work. Employees receive personal safety points for actively reporting such hazards and are recognized and rewarded based on their safety point rankings.

CATL advances the integration of work safety with digitalization and intelligence. In the reporting period, the Company established an intelligent early-warning platform leveraging IoT and intellectual technology. This facilitated the integrated intelligent emergency response of equipment, facilities, and emergency rescue (e.g., fire protection system, monitoring system and alarm systems), effectively improving the monitoring and early warning of potential accidents on site and the ability to perceive and handle emergencies.

For suppliers and contractors, CATL has formulated in the *CATL Supplier Security Management Policy*, the *Safety and Civilized Service Agreement* and other protocols. The safety management requirements of the whole operation cycle from supplier selection, onboarding training, construction process management, and end of delivery are clearly defined. Priority is also given to the protection of labor rights and interests in the supply chain.

Key Links of Supplier Work Safety Management

Pre-entry audit	In-process counseling	Performance management
<ul style="list-style-type: none"> Conduct pre-entry qualification audit for suppliers. Specify the Company's work safety requirements and principles in the supplier contracts. Conduct qualification review, pre-entry safety training, safety disclosure and Virtual Reality (VR) training for construction contractors. 	<ul style="list-style-type: none"> Conduct on-site safety counseling and audits for core raw material suppliers, sharing safety accident cases to enhance their safety management practices. During the reporting period, 125 suppliers were audited on-site, including those providing key raw materials such as cathode materials, anode materials, and electrolytes. Formulate construction schemes according to the requirements of construction contractors, verify the implementation of construction safety measures, regularly check the construction schemes, and carry out safety inspections. 	<ul style="list-style-type: none"> Require suppliers to develop annual safety goals and plans, and urge suppliers to establish internal performance appraisal mechanisms. Evaluate supplier safety performance regularly and urge improvement.

For battery mineral resources projects, the Company adheres to the safety-first policy outlined in "Safety First: Prevention-Oriented and Integrated Management". It strictly follows safety regulations outlined in the *Law of the People's Republic of China on Safety in Mines* and other relevant standards, alongside local laws and regulations. During the reporting period, relevant projects completed part of the infrastructure construction with high quality, efficiency and safety, while strictly abiding by laws and regulations. In line with "Three Simultaneities for Safety", they enforced grid-based safety management, incorporated contractor leadership and safety personnel into management structures, and established a comprehensive safety responsibility system both horizontally and vertically. During the reporting period, there were no major work safety and



Occupational Health

In strict accordance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the applicable laws and regulations in overseas locations of operation, the Company has continuously strengthened the occupational health protection of employees, and systematically sorted out the occupational health management system documents. During the reporting period, the Company added the *Instructions on the Detection and Monitoring of Occupational Disease Hazard Factors* and the *Instructions on the Warning and Notification of Occupational Disease Hazards*, and updated four management systems, including the *Instructions on the identification of Occupational Disease Hazard Positions*, the *Instructions on the Allocation and Management of First-aid Medicine and Equipment for Work-related Injuries*, the *Instructions on Labor Protection and Safety*, and the *Instructions on Infectious Diseases*. These efforts are made to provide guidance for occupational health.

To foster a healthy working environment and safeguard employee physical well-being, the Company conducts annual "Three Simultaneities for Occupational Health" assessments to identify workplace hazards related to occupational diseases. Third-party testing agencies are engaged annually to pinpoint positions with such hazards and enhance the management of employee physical examinations and personal protection. Identified main occupational hazards include noise, inorganic dust, high temperatures, and inorganic compounds, among others.

For identified occupational hazards, the Company equips employees with appropriate personal protective gear and installs occupational health protection facilities like dust collectors and silencers. Regular inspections and maintenance by assigned personnel ensure operational safety. Comprehensive employee health measures include pre-employment, on-the-job, and resignation physical examinations for employees exposed to occupational hazards are provided, with occupational health monitoring files established. Strengthened management resulted in "employee-specific files", with no reported occupational disease cases during the reporting period.

Concerning workplace chemicals, the Company clearly informs employees about the possible exposure to chemicals and their hazards, and posts the chemical composition and related test data at the workplace. An emergency handling mechanism is put in place, with regular online and offline multi-dimensional training and drills are conducted to enhance employees' ability to respond to chemical emergencies effectively.

To constantly enhance internal occupational health management, the Company conducts annual audits across all production bases, tailoring audit content to suit the work conditions of different departments.

Through weekly safety morning meetings and specialized training sessions, the Company provides employees with occupational health awareness outreach regarding equipment safety, safety regulations, construction safety, accident cases, among others. Additionally, the Company conducts regular Publicity Weeks for the Law on Prevention and Control of Occupational Diseases, utilizing themed posters, health knowledge training, and contests to enhance safety awareness among employees.

The Company formulates the management system for work-related injuries to standardize the management of internal work-related injuries and other accidents. In case of work-related injuries, the Company reports, investigates and analyzes the cause of the accident according to the procedures, and tracks and improves the existing problems.



Making Contribution to Social Value

Assistance with Industry Development

Leveraging its developmental advantages and expertise, CATL actively engages in industry associations' initiatives such as standard/policy setting, topic research, forum exhibition, technical cooperation, cultivation of expert bank and other campaigns organized by industry associations. The Company also supports the industry's high-quality development by participating in various campaigns and offering necessary assistance. CATL formulated the *Regulations on the Management of Industry Associations*, clarifying membership principles, application procedures, and change management to standardize its involvement in trade associations. By the end of the reporting period, CATL had joined 171 domestic and international trade associations, including the Global Battery Alliance (GBA), the National Big Data Alliance of New Energy Vehicles (NDANEV), the China Electricity Council (CEC), the China Society of Automotive Engineer (China-SAE), and the China Association of Automobile Manufacturers. Drawing on advanced technology and extensive industry experience, CATL actively contributes to the development of standards and research topics in EV batteries, energy storage batteries, battery management systems, recycling, etc., thereby promoting the standardization of battery product design, testing, maintenance, and recycling.

Talent development stands as a pivotal driver for industry advancement. The Company places significant emphasis on industry-specific talent training. Leveraging its technical expertise, it collaborates with numerous esteemed application-oriented universities and vocational colleges nationwide in industry-university-research collaborative education initiatives. These projects span professional technology, aftermarket services, and other domains, offering industry talent professional courses, internships, and training opportunities. For further details on industry R&D talent training, please consult the "this year's special topic" section in this report.

Combining governmental directives, corporate initiatives, and academic involvement, the Company has launched a new apprenticeship program aligned with "The CATL work-study program – The Company becomes a place of learning – Earn a college degree while on the job". This initiative offers one-year theoretical and hands-on courses for internal and industry-based skilled workers. Topics include sensor technology, programmable logic controller (PLC) control, and equipment failure maintenance and troubleshooting, aiming to enhance and foster the technical proficiency of industry personnel. During the reporting period, 525 people were enrolled and underwent training in the new apprenticeship intermediate class.

The Company has jointly carried out industry-university education cooperation programs for innovative talent in the aftermarket with eight schools, including Guangzhou Communications Senior Technician Institute, Shanghai Communications Polytechnic, and Shaanxi Institute of Automotive Technicians, providing professional technical courses, teaching facilities and equipment, competency certification standards, teacher training and construction support. Through these initiatives, the Company collaborates with technical schools to develop well-rounded talent proficient in both theory and practical skills. Additionally, during the reporting period, the first college base was established at the Shaanxi Institute of Automotive Technicians.

CATT works closely with local vocational colleges. A "dual system" vocational education for middle or high school graduates for a period of 2 to 3.5 years is launched, with theoretical knowledge taught by the school and practical courses by the Company. It enables students to bridge classroom learning with real-world applications, offering them job opportunities and career advancement support. Meanwhile, skilled professionals are nurtured with industry-specific expertise, catering to the needs of various industries and enterprises.

Registered with the Ministry of Human Resources and Social Security of the People's Republic of China as a vocational skill level certification and evaluation agency, the Company conducts routine vocational skill level certifications for battery manufacturing professionals. Individuals meeting registration criteria undergo theoretical and practical assessments to obtain certification. As of the reporting period's conclusion, the Company had accredited 7,252 battery manufacturing professionals.



Public Welfare & Charity

The Company has enacted a robust public welfare and charity management system, including the establishment of an external donation office to oversee internal and external donation activities. During the reporting period, it introduced the *External Donation Management System and Implementation Rules for External Donations* to enhance regulation of external donation practices and clarify the principles and decision-making procedures. While safeguarding the rights of shareholders, creditors, and employees, the Company aims to fulfill its corporate social responsibility more effectively. Throughout the reporting period, the Company executed 56 charitable donation projects.

The Company consistently upholds the principle of balancing enterprise growth with social responsibility, actively engaging in various social welfare areas such as community development, education assistance, emergency relief, environmental conservation, and cultural and sports initiatives. Through dedicated charitable funds and donations, it diligently fulfills its corporate citizenship obligations, fostering the generation of social value. During the reporting period, the Company donated a total of RMB 169.4024 million.

Actions and Progress of Charitable Donations in 2023

Special charity foundation

- The Company established a dedicated charitable foundation to enhance support for vulnerable populations through collaboration with professional charity organizations. In the reporting period, CATL donated RMB 50 million each to the Ningde Charity Federation and the Ningde City Jiaocheng District Charity Federation, totaling RMB 100 million. These contributions led to the establishment of the CATL Ningde Charity Foundation and the CATL Jiaocheng Charity Foundation, aimed at facilitating charitable endeavors in livelihood improvement, healthcare, education, and other areas within Ningde City and Jiaocheng District.

Public welfare donations (Part of key donations)

- **Community development:** The Company donated RMB 10 million to Beijing Guangcai Charity Foundation to help improve the conditions in Zhijin County, Guizhou Province.
- **Educational support:** The Company boosted its contribution for the Chunfengli Campus of Primary School Affiliated to Ningde Normal University by RMB 15 million. It also provided RMB 2.405 million in total donations to education foundations at prestigious institutions such as Beijing Normal University, Shanghai Jiao Tong University, and Xiamen University. Additionally, RMB 1.433 million was endowed to local educational charities, including the Fujian Youth Development Foundation. Furthermore, Brunp Recycling, a subsidiary, committed RMB 980,000 to establish the "Brunp Education Scholarship" at universities including Sichuan University and Central South University.
- **Environmental protection:** The Company donated a total RMB of 2.8 million to the China Green Foundation and planted 40,000 poplar trees to contribute to a green ecological barrier.
- **Emergency relief:** The Company donated RMB 25 million to Beijing Guangcai Charity Foundation to improve rural medical facilities and escort people's lives, health and safety.

Additionally, the Company is developing a sustainable mechanism to support rural revitalization, utilizing its resources and expertise to implement a range of initiatives, including stabilizing employment, revitalizing education, and rejuvenating industries. These efforts are made to enhance the self-sufficiency of the local economy and foster synergies between poverty alleviation and rural revitalization achievements.

Stable Employment

Through broadening recruitment efforts and expanding job opportunities, CATL extends support to rural migrant workers and individuals emerging from poverty by aiding them in securing employment, thereby assisting economically challenged regions in tackling unemployment. The Company actively engages in local public employment initiatives such as the "Spring Action"¹. For instance, it participated in a township recruitment fair in Fuding City, conducting recruitment campaigns that effectively facilitated the transition of surplus rural labor and contributed to income growth for farmers. Throughout the reporting period, the Company hired a total of 3,475 employees in economically disadvantaged areas.

Industrial Revitalization²

The Company has sustained its efforts in driving rural revitalization through industry initiatives, harnessing local resources and fostering the advancement of local industries. By empowering local communities and providing robust industrial support, it has bolstered the self-reliance of residents and facilitated continuous income growth for local farmers.

During the reporting period, the Company helped rural revitalization through cooperation between villages and enterprises, participated in the "I have farmland in Ningde" campaign initiated by Ningde Municipal Party Committee and Municipal Government, and developed land hand in hand with farmers by donating money to raise funds and providing sales guarantees. This is intended to create a solution for problems associated with the sale of rice, and assist in raising farmers' incomes over the long term. Through a "three-in-one" approach to fundraising, the Company facilitated the reclamation of abandoned land in various communities, including Jiadi Village in Hubei Town, Kengtou Village, Kengtou Village and Hutou Village in Huotong Town of Jiaocheng District, and Pingnan County, thereby contributing to rural revitalization efforts.

The Company remains engaged in the "Customized Tea Garden for Poverty Alleviation" initiative³. It has adopted customized tea garden for the purpose of poverty alleviation, and relied on the local tea industry to help rural revitalization. During the reporting period, RMB 10.184 million was invested in the "Customized Tea Garden for Poverty Alleviation" program.

¹ The "Spring Action" is a series of activities initiated by the related departments in PRC to offer employment opportunities for migrant workers, safeguard their legitimate rights and interests, and rectify labor intermediaries.

² Industrial revitalization in the Report mainly refers to how the Company helps residents to develop characteristic industries by identifying local characteristic resources, improving their living standards, and laying a solid foundation to develop the local economy.

³ CATL has participated in this project since 2019 to support and invest resources. Therefore, the name of this project remains unchanged after China achieved comprehensive poverty alleviation.

Education Revitalization

CATL remains committed to advancing rural revitalization through education, continually initiating various educational programs to broaden opportunities for underprivileged students and emphasizing the holistic development of students' well-being.

◉ The Development of Partial Student Aid Programs

"Love and Help Students" campaign

Since 2018, CATL has been organizing the annual "Love and Help Students" initiative to support underprivileged students until their high school graduation. This effort involves creating individual profiles for each student, sending them educational materials to aid their development into knowledgeable young adults, establishing a consistent support system, creating contact cards, and regularly monitoring their progress. Throughout the reporting period, the Company collaborated with Charity Federations and leveraged the expertise of public welfare organizations to efficiently identify needy students and their requirements, optimizing the management and execution of welfare programs. Additionally, CATL launched summer exchange activities to enhance communication between sponsored students and their benefactors. During this period, a total of 96 students benefited from the "Love and Help Students" campaign.

"Build Dreams Space" caring program

In collaboration with the Ningde Municipal Party Committee and Ningde Charity Federation, the Company jointly supported the "Build Dreams Space" initiative, aimed at assisting underprivileged teenagers, particularly orphans in primary and junior high schools. Recognizing the challenging living conditions and insufficient educational resources faced by these individuals, the Company undertook the renovation and construction of "hope cottages" to provide a conducive environment for their growth. Additionally, long-term support programs were implemented to offer both material aid and emotional support, tailored to the specific needs of the beneficiaries. Throughout the reporting period, the Company successfully constructed and delivered 96 hope cottages to deserving students. This initiative was recognized with the first prize in the 5th "Good Deeds - Public Welfare and Charity Project Competition" in Fujian Province.

Community Relationship Management

CATL places significant emphasis on establishing effective communication channels with the local community in areas where it operates. It prioritizes engagement with stakeholders such as local government, the public, and communities, ensuring a thorough understanding of their needs and addressing any concerns to foster a robust foundation of trust. In addition to philanthropic endeavors, the Company proactively enhances the quality of life through its influence, initiating community service projects and supporting local cultural activities. Collaborating with Non-Profit Organizations (NPOs), CATL endeavors to address social challenges, aiming to cultivate a positive and harmonious relationship with the local community while contributing to sustainable development initiatives.

Community Communication and Livelihood Improvement

Domestic

During the reporting period, CATL actively engaged in enhancing the infrastructure and living environment of the Yingbin Community in Ningde City. Collaborating with the Ningde City Jiaocheng District Charity Federation, the Company donated RMB 1 million to improve educational facilities at the Chunfengli Campus of Dongqiao Experimental Kindergarten, benefiting the community's school-age children. Additionally, CATL partnered with the Administration Committee of Dongqiao Economic and Technological Development Zone to establish a Talent Station in Yingbin Community, offering diverse activities and support services. Through cooperation with the Ningde Charity Federation and Ningde Rehabilitation Hospital, CATL addressed the needs of autistic children in Ningde by assessing their family situations and contributing to improving treatment conditions at the hospital.

The Company proactively engages with Yichun's local government, communities, and residents to drive sustainable development, setting up weekly dialogues through dedicated staff to address and resolve community and livelihood issues, fostering harmony. In this reporting period, to tackle the local tap water access challenges, the Company contributed RMB 4.5431 million towards constructing two water treatment plants and donated RMB 5.5 million for a levee upstream of the water source, ensuring reliable operations of the surrounding water intake stations. Additionally, with an investment of RMB 6.8014 million in local road repairs, the Company not only met the residents' living and production needs but also played a key role in building modern, picturesque villages.

Overseas

During the reporting period, CATL facilitated communication with local residents by organizing field visits for citizens and government representatives from Debrecen, Hungary, and Arnstadt, Thuringia, Germany, with the backing of local authorities. During these visits, the Company shared updates on development progress and addressed stakeholders' concerns, enhancing transparency and fostering widespread community trust through open dialogue.

Brunp Recycling prioritizes the cultivation and upkeep of community relationships, evident in its establishment of community work systems in Potosi and Oruro in Bolivia. Tailored community programs have been devised to bolster cooperative ties. The Company conducted "public community consultation meetings" in villages surrounding the salt lakes, inviting local representatives to voice their needs and collaborate on regional development initiatives. Through proactive engagement, CATL fosters amicable dialogue with residents, facilitating mutual understanding of its constructive role in Bolivia's lithium industry development among diverse societal sectors.

Launching Community Service Activities

The Company fosters a culture of active engagement in public welfare among its employees, aiming to address social challenges through practical actions and embodying the core values of "Refine, Enable, Strive, Innovate". Since 2017, it has established the "CATL Volunteer Service Team" and formed volunteer groups across its subsidiaries to partake in charitable and volunteer initiatives. Leveraging the enthusiasm of its workforce, the Company encourages broader participation in advancing sustainable development. Within the volunteer service team, a Charity Organizing Committee was established to coordinate activities such as mutual aid and charitable donations. Throughout the reporting period, CATL organized approximately 1,500 volunteer activities, engaging over 27,000 individuals. These activities included themes like "Environmental Cleanup", "Public Service Facility Visits", "Learning from Lei Feng", "Traffic Assistance", and "Voluntary Blood Donation".

The Company designs a yearly volunteer activity schedule, disseminating information to volunteer members via internal emails, activity posters, communication groups, and other channels, urging employees to engage in volunteer service. It organizes monthly and annual awards to recognize exceptional volunteers, presenting Certificates of Honor and Outstanding Volunteer Team Building Awards, thereby motivating staff to actively contribute to social causes.

Participating in Community Cultural Activities

CATL takes an active role in supporting and engaging in cultural events within the communities it serves, fostering connections among local residents and cultivating a positive corporate image. Through these initiatives, the Company enhances community understanding and collaboration, laying the groundwork for mutual development.

Abroad, the Company enthusiastically engages in local cultural events, such as the City Festival in Arnstadt and the Krämerbrückenfest in Erfurt, aiming to assimilate into the community gradually. Through promoting diverse activities, it seeks to blend corporate and local cultures, fostering partnerships that add value to the community.

To foster better communication with local residents and bolster the personal growth of youth, the Company collaborates with the local sports club SV09 Arnstadt to host sports events and environmental activities. Additionally, it engages in initiatives like factory tours, golf matches, and the "Future Technology Camp" with nearby schools. These endeavors deepen community understanding of the Company and elevate its brand image. During the reporting period, CATL partnered with THIS Weimar to invite elementary school students for a factory tour, exposing them to corporate culture and expanding their horizons, thus offering valuable insights and encouragement for their future career paths.

Working with NPOs to Solve Social Problems

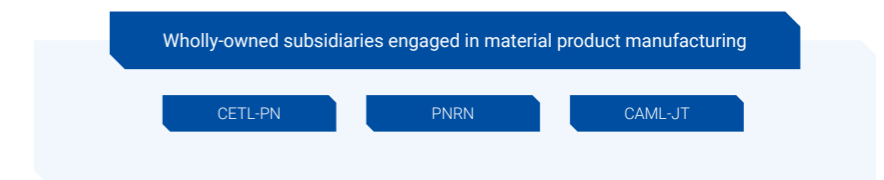
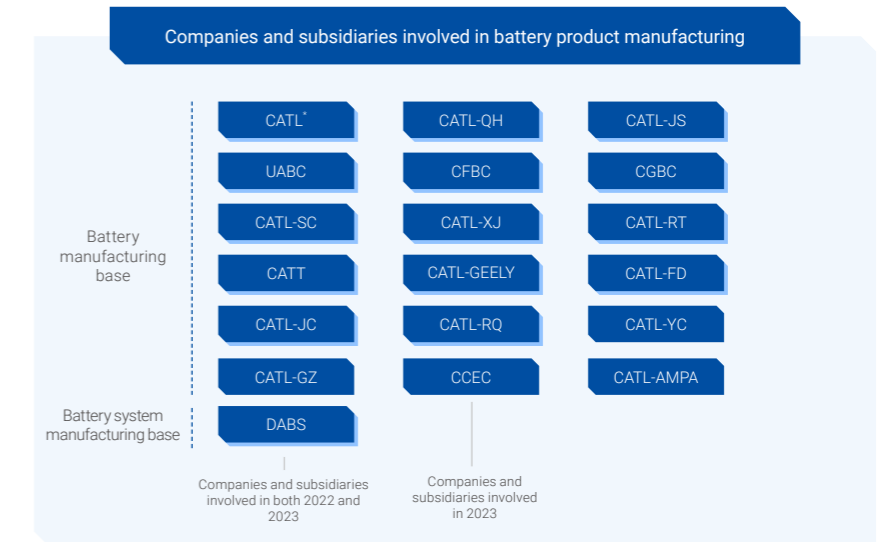
CATL collaborates with local non-profit organizations to address the social needs of its operational areas through material and financial donations. During the reporting period, the Company joined forces with the NPO Baumpaten Thuringia, becoming a significant contributor to local environmental initiatives. It adopted 4,800 saplings, showcasing them at the IAA MOBILITY 2023 to raise awareness for the Thuringian forest. Additionally, the Company coordinates tree-planting activities for its overseas employees to support local green development efforts. By the reporting period's end, CATL had planted 6,300 trees in the Thuringian forest, establishing itself as the second-largest contributor to sapling planting in the region.

ESG Data Performance Table

Following the principles of "Accuracy" and "Comparability", CATL provides transparent quantitative performance data that showcases the Company's sustainability management achievements. This data is compared with previous years whenever feasible. The specific coverage of each issue's data is listed in the following figure.

Issues	Coverage	Consistent with the scope of CATL's Consolidated Financial Statements	Companies and subsidiaries involved in battery product manufacturing	Company and its subsidiaries that are classified as major entities under environmental regulation by local eco-environment management agencies	Wholly-owned subsidiaries engaged in material product manufacturing	CATL*
Corporate Governance and Economic Performance						
Economic Performance		● ● ●				
Intellectual Property Right Protection		● ● ●				
Anti-corruption		● ●				
Environmental Performance						
Energy Use			● ● ●			
Greenhouse Gas Emission			● ● ●			
Water Resources Use			● ● ●			
Packaging Material Use ¹			● ●			
Discharge and Waste			● ●	● ● ●	●	
Social Performance						
R&D and Innovation		● ● ●				
Customers' Rights and Interests		● ●				
Supply Chain Management		● ●				
Supplier Training		● ● ●				
Due Diligence Management of Responsible Mineral Supply Chains		● ● ●				
Employment		● ● ●				
Equality and Diversity		● ●				
Employee Support		● ● ●				
Employees' Parental Leave		●				●
Employee Training			● ● ●		●	
Employee Performance Assessment		● ●				
Occupational Health and Safety			● ●	● ● ●	●	
Social Public Welfare		● ●				
Volunteer Service		● ● ●				

¹The "Packaging Material Use" data covers companies and subsidiaries that have mass-produced battery products in China.



● Data coverage in 2023
 ● Data coverage in 2022
 ● Data coverage in 2021

Corporate Governance and Economic Performance

Data Coverage during the Reporting Period

The coverage of corporate governance and economic data is consistent with that of the Company's consolidated financial statements.

Economic Performance

Indicator	Unit	2021	2022	2023
Total assets	RMB 10 thousand	30,766,686.09	60,095,235.19	71,716,804.11
Revenue	RMB 10 thousand	13,035,579.64	32,859,398.75	40,091,704.49
Net profit	RMB 10 thousand	1,786,073.01	3,345,714.35	4,676,103.45
Net profit attributable to shareholders of listed companies	RMB 10 thousand	1,593,131.79	3,072,916.35	4,412,124.83
Basic earnings per share	RMB/share	3.8200	7.1766	11.7900

Intellectual Property Right Protection

Indicator	Unit	2021	2022	2023
Number of granted patents ¹	No.	4,445	6,583	9,987
Domestic	No.	3,772	5,518	8,137
Overseas	No.	673	1,065	1,850
Number of patents in application ¹	No.	5,777	10,054	19,500

¹ Both "Number of granted patents" and "Number of patents in application" are cumulative performance data by the end of the reporting period.

Anti-corruption

Indicator	Unit	2022	2023
Proportion of employees participating in anti-corruption training (%) ¹	%	100	100
Per capita time of employees participating in anti-corruption training (hour) ²	Hour	/	0.94
Number of operation stations having accepted corruption risk assessment ³	No.	1	1
Number of operation stations exposed to major corruption risk as determined by risk assessment	No.	0	0

¹ Considering the high turnover, front-line employees are not incorporated in the statistical scope of the data.

² To further mirror employee participation in anti-corruption training, the Company uses "Per capita time of employees participating in anti-corruption training (hour)" instead of "Total time of employees participating in anti-corruption training (hour)".

³ During the reporting period, CATL carried out anti-corruption risk assessment based on ISO 37001, and other subsidiaries conducted management according to this requirement.

Environmental Performance

Data Coverage during the Reporting Period

The energy use, resources use, and greenhouse gas emissions data encompass all companies and subsidiaries involved in battery product manufacturing. This year, the data from CATL-YC, CATL-GZ, CCEC, and CATL-AMPA have been incorporated (which were not included in the 2022 figures).

Packaging material usage statistics include domestic companies and subsidiaries that have mass-produced battery products.

Emission and waste data statistics encompass all entities manufacturing battery products, including those classified as key units for environmental supervision by local ecological and environmental authorities, as well as all wholly-owned subsidiaries engaged in material product manufacturing.

Comparison with Previous Year

The statistical scopes of energy use, greenhouse gas emission, water resources use, packaging material usage, as well as discharge and waste have expanded since 2023.

Disclosure of management performance related to the recycling of hazardous wastes starting in 2023.

Energy Use

Indicator	Unit	2021	2022	2023
Total energy consumption ¹	MWh	4,599,848.68	9,551,107.94	10,818,211.66
Direct energy consumption ²	MWh	1,490,517.02	3,202,058.36	3,885,456.34
Indirect energy consumption ³	MWh	3,109,331.66	6,349,049.58	6,932,755.32
Total energy consumption intensity ⁴	MWh/GWh	28,415.18	29,423.80	27,917.50

¹ The calculation refers to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020). Energy here includes natural gas, electric energy, and vapor. The energy consumption including the gasoline/diesel oil consumed by the Company's vehicles. Diesel oil consumed by backup diesel generator and natural gas consumed by staff canteen are not incorporated in the statistics, since its proportion is lower than the materiality threshold (2%).

² The calculation refers to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020). The average net calorific value of natural gas is obtained based on the measured value reported by different bases.

³ The calculation refers to *Steam Heat Calculation Method* (GB/T 34060-2017) and General Reporting Protocol Version 3.0. The results are obtained based on the practical conditions of vapor generated by equipment and facility use in all bases and their corresponding enthalpy.

⁴ Total energy consumption intensity = total energy consumption / total output of cell products, same as below.

Greenhouse Gas Emission

Indicator	Unit	2021	2022	2023
Total emissions				
Total greenhouse gas emissions ¹	t CO ₂ e	2,262,741.87	3,242,832.72	2,108,291.32
Total Scope 1 greenhouse gas emissions ²	t CO ₂ e	303,120.23	610,885.46	813,335.12
Cell	t CO ₂ e	298,986.20	598,143.04	765,348.67
Module	t CO ₂ e	113.23	850.75	42.95
Pack	t CO ₂ e	60.97	418.92	163.61
Others	t CO ₂ e	3,959.83	11,472.75	47,779.89
Total Scope 2 greenhouse gas emissions ³	t CO ₂ e	1,959,621.64	2,631,947.26	1,294,956.20
Cell	t CO ₂ e	1,634,679.74	2,240,065.78	1,096,291.21
Module	t CO ₂ e	81,818.22	109,787.25	32,015.67
Pack	t CO ₂ e	41,925.57	69,713.87	38,746.65
Others	t CO ₂ e	201,197.11	212,380.36	127,902.67
Emission intensity				
Greenhouse gas emission intensity ⁴	t CO ₂ e/MWh	13.98	9.99	5.44
Cell	t CO ₂ e/MWh	11.95	8.74	4.80
Module	t CO ₂ e/MWh	0.51	0.34	0.08
Pack	t CO ₂ e/MWh	0.26	0.22	0.10
Others	t CO ₂ e/MWh	1.27	0.69	0.46
Greenhouse gas emission intensity decline ⁵	%	10.33	28.54	45.55

¹ The total greenhouse gas emission includes Scope 1 and Scope 2 greenhouse gas emissions. The calculations of Scope 1 and Scope 2 greenhouse gas emissions both refer to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015). CATL summarizes and discloses the greenhouse gas emission data obtained from internal accounting in its annual ESG report. The audited Scope 1 and Scope 2 greenhouse gas emissions and Scope 3 greenhouse gas emission in specific bases will be published after the third-party's audit statement is acquired. The 2022 data in this report have been revised based on the audit and may differ from the figures presented in the 2022 ESG report.

² Scope 1 includes the natural gas and escaping gas consumed in battery production; and the greenhouse gas calculation targets CO₂. The calculation of natural gas emission factor refers to the *Accounting Method and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (Exposure Draft)* (2022), with the calorific value obtained from the measured value of equipment and facilities. The escaping gas emission from 2023 is calculated as 5% of total Scope 1 greenhouse gas emissions.

³ Scope 2 includes the purchased power and steam discharge consumed in battery production; and the greenhouse gas calculation targets CO₂. The calculation of electricity and steam emission factor refers to the *Accounting Method and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (Exposure Draft)* (2022), with the steam enthalpy obtained from the measured value of equipment and facilities. The significant reduction in Scope 2 greenhouse gas emissions in 2023 primarily results from a higher proportion of renewable electricity integrated into the electricity mix.

⁴ Greenhouse gas emission intensity = total greenhouse gas emission / total output of cell products, same below. During the reporting period, the decline of the greenhouse gas emission intensity mainly results from an increase in the proportion of renewable electricity in the electricity mix.

⁵ Decline ratio of greenhouse gas emission intensity = (1 – greenhouse gas emission intensity of this year/ greenhouse gas emission intensity of previous year) × 100%.

Water Resources Use

Indicator	Unit	2021	2022	2023
Total water intake ¹	m ³	10,161,636.52	20,407,511.94	25,479,086.86

¹ The increase in total water intake in 2023 is mainly ascribed from the expansion of data coverage and the growth of battery capacity.

Packaging Material Use

Indicator	Unit	2022	2023
Proportion of projects using recyclable/renewable packaging materials ^{1,2}	%	98	100
Proportion of projects using recyclable/renewable packaging materials (modules)	%	96	100
Proportion of projects using recyclable/renewable packaging materials (packs)	%	100	100

¹ The statistical scope of recyclable/renewable packaging materials means the packaging materials that can be used repeatedly for 5 or more times or show a recovery and recycling rate no lower than 50%, such as metals, HDPE and corrugated paper.

² The statistical scope of packaging material use covers domestic companies and subsidiaries that have mass-produced battery products. During the reporting period, foreign projects cannot adopt recyclable packages as restricted by relevant laws and regulations; and no turnover box is used during the sampling stage in China, so they are not incorporated in the data.

Discharge and Waste

Indicator	Unit	2021	2022	2023
Total waste water and air pollutant discharge¹				
Chemical oxygen demand (COD)	t	37.75	51.26	66.41
Ammoniacal nitrogen (NH ₃ -N)	t	3.77	4.63	4.86
Nitrogen oxides (NO _x)	t	119.31	223.16	217.83
Sulfur dioxide (SO ₂)	t	5.75	9.96	13.78
Volatile organic compounds (VOCs) ²	t	/	/	771.14
Solid waste^{1,3}				
Total general industrial solid waste	t	303,727	698,292	720,441
General industrial solid waste disposed	t	/	90,648	81,523
Burning (with energy recovery)	t	/	88,563	78,033
Burning (w/o energy recovery)	t	/	1,212	2,575
Landfill	t	/	873	915
Total recycled general industrial solid waste	t	/	607,643	638,918
Reused ⁴	t	/	352,932	368,679
Recycled ⁵	t	/	101,124	82,593
Recovered in other ways (excluding reusing or recycling) ⁶	t	/	153,587	187,646

Indicator	Unit	2021	2022	2023
Total hazardous waste	t	4,960	12,109	13,947
Hazard waste disposed	t	4,960	11,297	12,311
Burning (with energy recovery)	t	/	10	487
Burning (w/o energy recovery)	t	/	8,707	10,320
Landfill	t	/	2,511	1,385
Others	t	/	69	119
Total hazardous wastes reused and recycled	t	/	812	1,636
Reused ⁴	t	/	0	148
Recycled ⁵	t	/	797	1,415
Recovered in other ways (excluding reusing or recycling) ⁶	t	/	15	73

¹ Part of the absolute increase in total emissions and wastes in 2023 is mainly ascribed from the expansion of data coverage and the growth of battery capacity.

² The total VOCs emission is calculated based on the material balance method, and the data covers the process production process, excluding auxiliary processes.

³ Since 2023, the burning of general industrial solid waste and hazardous waste has been measured by (with and w/o) energy recovery, and additional disclosure of the total hazardous waste reuse and recycling. All solid waste data in 2022 will be retrospectively adjusted according to the same statistical rules.

⁴ This indicates the overall volume of waste, a portion or component of which can be restored to its initial purpose following inspection, cleaning, or repair. General industrial solid waste refers to the quantity of reused NMP waste and the cascading utilization of waste batteries. Hazardous waste comprises the volume of recycled regenerated waste activated carbon, among others.

⁵ This denotes the aggregate amount of waste, including components that can be reprocessed to generate new materials. General industrial solid waste encompasses the volume of recycled copper foil scrap, aluminum foil scrap, waste graphite, waste paper, waste plastics, wood scrap, and other metal waste. Hazardous waste includes the quantity of recycled waste mineral oil drums, scrap metals contaminated with cutting fluid, and mineral oil.

⁶ This refers to the quantity of the waste recovered and utilized as resources after the change of purpose (such as using the used waste in other methods).

Social Performance

Data Coverage during the Reporting Period

The coverage of the Company's social data (excluding employee training and occupational health and safety) is consistent with that of the Company's consolidated financial statements.

The occupational health and safety data of employees encompasses all companies and subsidiaries engaged in battery production, those classified as key units for environmental supervision by local ecological and environmental authorities, and all wholly-owned subsidiaries involved in manufacturing material products.

Employee training data covers all companies and subsidiaries that manufacture battery products and all wholly-owned subsidiaries that manufacture material products.

Comparison with Previous Year

The statistical scope of occupational health and safety, employee training data, and parental leave data was enlarged in 2023.

The management performance in the total number of eliminated suppliers and employees' parental leave was disclosed in 2023.

R&D and innovation

Indicator	Unit	2021	2022	2023
R&D investment	RMB 10 thousand	769,142.76	1,551,045.35	1,835,610.84
R&D investment growth rate	%	115.48	101.66	18.35
Ratio of R&D investment to revenue	%	5.90	4.72	4.58
Total number of R&D personnel	Person	10,079	16,322	20,604
Including: R&D personnel with doctoral degree	Person	170	264	361
R&D personnel with master's degree	Person	2,086	2,852	3,913

Customers' Rights and Interests

Indicator	Unit	2022	2023
Satisfaction ratio in customer satisfaction survey	%	88	89
Complaints about products and services	No.	419	706
Complaint settlement ratio	%	100	100

Supply Chain Management

Indicator	Unit	2022	2023
Total number of suppliers ¹	No.	701	790
By region			
Chinese mainland	No.	678	754
Hong Kong, Macao, Taiwan	No.	3	3
Overseas	No.	20	33
Number of new admitted suppliers having accepted sustainability impact assessment ^{1,2}	No.	145	104
Proportion of new suppliers selected from the sustainability dimensions ^{1,2}	%	100	100
Total number of eliminated suppliers ³	No.	/	15

¹ The Company retroactively adjusted the 2022 data in 2023 as 92 qualified direct material suppliers were in a suspended status in the Company's management system and should be included in the totals. The Company updated the total number of direct material suppliers in 2022 and their breakdown by region, the number of new admitted suppliers having accepted sustainability impact assessment, and the proportion of new suppliers selected from the sustainability dimensions in the Report by backtracking the data.

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

³ In 2023, the Company added the disclosure indicators of the total number of eliminated direct material suppliers to further demonstrate the closed-loop mechanism of supplier management.

Supplier Training

Indicator	Unit	2021	2022	2023
Number of knowledge training on sustainable development of the supply chain	No.	21	51	90
Number of suppliers participating in training	No.	36	36	60

Due Diligence Management of Responsible Mineral Supply Chains

Indicator	Unit	2021	2022	2023
Number of suppliers accepting due diligence audits of responsible mineral supply chains	No.	50	57	70

Employment

Indicator	Unit	2021	2022	2023
Total number of staff	Person	83,601	118,914	116,055
By gender ¹				
Female	%	22.99	23.49	23.26
Male	%	76.59	75.95	75.68
By age ¹				
Under 30 years old	%	53.63	49.96	45.52
30 to 50 years old	%	45.60	49.19	52.94
Over 50 years old	%	0.36	0.30	0.43
By academic qualifications ¹				
Proportion of employees with doctoral degree	%	0.23	0.24	0.34
Proportion of employees with master's degree	%	3.75	3.70	5.15
Proportion of employees with bachelor's degree	%	15.02	16.74	18.84
Proportion of employees with less than bachelor degree	%	81.00	78.77	74.61

¹ Certain employee information regarding gender, age, and academic qualifications is confidential in accordance with GDPR regulations and cannot be disclosed here. Consequently, the total proportions of employees divided by gender, age, and academic qualifications may not sum up to 100%, as noted below.

Equality and Diversity

Indicator	Unit	2022	2023
Management diversity			
By gender			
Female	%	16.67	18.43
Male	%	82.06	79.96
By age			
Under 30 years old	%	35.47	33.88
30 to 50 years old	%	62.51	63.67
Over 50 years old	%	0.76	0.82
Diversity of new employees			
By gender			
Female	%	23.45	22.01
Male	%	75.88	75.62

Indicator	Unit	2022	2023
By age			
Under 30 years old	%	56.74	59.73
30 to 50 years old	%	42.48	37.61
Over 50 years old	%	0.11	0.20
Department employee diversity			
Proportion of female employees in revenue-generating departments ¹	%	16.15	16.56
Proportion of female employees engaged in STEM-related jobs ²	%	16.76	17.05

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.

² "STEM-related jobs" refer to jobs related to science, technology, engineering and mathematics. The data this year mainly covers the Company's technicians.

Employee Support

Indicator	Unit	2021	2022	2023
Used Times of Mutual Aid Fund	Time	97	164	235
Used Amount of Mutual Aid Fund ¹	RMB 10 thousand	151.36	198.95	275.88

¹ During the reporting period, the number of branches and subsidiaries that successively set up the mutual aid fund increased.

Employees' Parental Leave¹

Indicator	Unit	2022	2023
Total number of employees taking the parental leave	Person	2,502	10,186
Female	Person	848	2,859
Male	Person	1,654	7,327
Total number of employees returning to the post after the end of parental leave during the reporting period	Person	2,418	10,154
Female	Person	811	2,850
Male	Person	1,607	7,304

¹ In 2023, the Company expanded the scope of parental leave statistics, resulting in an increase in the relevant data.

Employee Training

Indicator	Unit	2021	2022	2023
Employee training coverage				
Employee training coverage	%	93.50	99.80	99.80
By gender ¹				
Female	%	93.50	99.84	99.66
Male	%	93.50	99.77	99.82
By rank ¹				
Front-line employee	%	/	99.90	100.00
Front-line management	%	/	99.75	99.87
Middle management	%	/	97.76	99.44
Senior management ²	%	/	67.05	98.77
Duration of employee training				
Average duration of training for employees	Hour	19.43	51.50	55.50
By gender ³				
Female	Hour	18.92	50.20	55.05
Male	Hour	19.59	51.90	55.59
By age				
Under 30 years old	Hour	/	59.20	52.60
30 to 50 years old	Hour	/	43.30	58.01
Over 50 years old	Hour	/	30.10	48.13
By rank				
Front-line employee	Hour	/	51.30	51.69
Front-line management	Hour	/	78.40	72.63
Middle management	Hour	/	35.80	55.15
Senior management ²	Hour	/	8.10	23.06

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

² In 2023, the Company implemented numerous senior management training initiatives, expanding the coverage of senior management training and enhancing the average number of training hours received by senior executives.

³ The average duration of training for employees divided by gender, age and rank = Duration of the training for employees in this category / number of employees in this category, same below.

Employee Performance Assessment

Indicator	Unit	2022	2023
Proportion of employees accepting regular performance and career development assessment	%	100	100
By gender ¹			
Female	%	100	100
Male	%	100	100
By rank ¹			
Front-line employee	%	100	100
Front-line management	%	100	100
Middle management	%	100	100
Senior management	%	100	100

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

Occupational Health and Safety

Indicator	Unit	2021	2022	2023
Number of major safety accidents and environmental pollution events	No.	0	0	0
Number of safety drill activities	Time	3,124	4,652	8,293
Coverage of employee health and safety training	%	100	100	100
Employee lost-time incident rate ¹	Case (s)/million hours	/	0.04	0.072

¹ During the reporting period, a change in the caliber of data statistics increased the rate of incidents of loss of work by employees. 2023 data is approximately year-on-year 69% lower than the same caliber data in 2022.

Social Public Welfare

Indicator	Unit	2022	2023
Total investment in social public welfare	RMB 10 thousand	17,648.53	16,940.24
Including: Charitable donation amount ^{1,2}	RMB 10 thousand	17,446.36	15,081.50
Rural revitalization investment	RMB 10 thousand	159.20	3,730.77
Investment in social public welfare by investment sector			
Education support ²	RMB 10 thousand	11,533.39	2,167.16
Emergency rescue & disaster relief	RMB 10 thousand	5,581.04	550.00
Community development	RMB 10 thousand	294.10	3,936.58

Indicator	Unit	2022	2023
Environmental protection	RMB 10 thousand	140.00	286.00
Cultural and sports undertakings	RMB 10 thousand	100.00	0.50
Special-purpose funds ³	RMB 10 thousand	/	10,000.00

¹ The data covers the charitable donation with the donation note produced by the finance department.

² In 2022, the Company's charitable donations amounted to a larger amount, mainly due to the donation of RMB 110 million to the Ningde City Jiaocheng District Charity Federation, for the construction of Chunfengli Campus of Primary School Affiliated to Ningde Normal University.

³ The Special-purpose funds denote the sum contributed by the Company to both the Ningde Charity Federation and Ningde City Jiaocheng District Charity Federation, during the year 2023. Non-profit organizations submit proposals for specific projects to be executed upon confirmation by the Company.

Volunteer Service

Indicator	Unit	2021	2022	2023
Number of volunteer activities organized	No.	210	799	1,498
Number of volunteers participating in the activities	No.	12,175	12,893	27,002

Benchmarking Index

Benchmarking Index for the Guidelines for Social Responsibility of Listed Companies of the Shenzhen Stock Exchange

Content	Relevant sections
Article 3	Sustainable Development Strategies Contribution to Global Sustainable Development Goals
Article 4	Integrity Construction Intellectual Property Right Protection Fair Competition Customer Relationship Management
Article 5	Report Preparation Instructions
Article 7	Corporate Governance Structure
Article 8	Corporate Governance Structure
Article 9	Investor Protection
Article 10	Investor Protection
Article 11	Investor Protection Internal Control ESG Data Performance Table
Article 12	Investor Protection
Article 13	Employees' Rights, Benefits, and Welfare Talent Training and Development
Article 14	Employees' Rights, Benefits, and Welfare
Article 15	Occupational Health and Safety
Article 16	Employees' Rights, Benefits, and Welfare
Article 17	Employees' Rights, Benefits, and Welfare
Article 18	Talent Training and Development
Article 19	Employees' Rights, Benefits, and Welfare
Article 20	Customer Relationship Management Intellectual Property Right Protection
Article 21	Product Quality and Safety
Article 22	Product Quality and Safety
Article 23	Integrity Construction Supply Chain Management
Article 24	Integrity Construction
Article 25	Information Security and Privacy Protection
Article 26	Customer Relationship Management

Content	Relevant sections
Article 27	Environmental Management System
Article 28	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Environmental Management System Low-carbon Production and Operation Emission and Waste Management Resource Management
Article 29	Low-carbon Production and Operation Emission and Waste Management
Article 30	Environmental Management System Emission and Waste Management
Article 31	Environmental Management System
Article 32	Making Contribution to Social Value
Article 33	Making Contribution to Social Value
Article 34	Management of Material Topics
Article 35	Sustainable Development Strategies
Article 36	Sustainable Development Strategies Product Quality and Safety Environmental Management System Employees' Rights, Benefits, and Welfare Occupational Health and Safety Making Contribution to Social Value Benchmarking Index

Benchmarking Index for the Shenzhen Stock Exchange Guideline No. 2 on Self-Regulation of Listed Companies - Standardized Operation of Companies Listed on the Growth Enterprise Market

Clause and disclosure		Section
9.1 Overview		Sustainable Development Strategies Contribution to Global Sustainable Development Goals
9.2 Business Principles		Integrity Construction Intellectual Property Right Protection Fair Competition Customer Relationship Management
9.3 Strategic Planning and Working Mechanisms for Social Responsibility		Sustainable Development Strategies Contribution to Global Sustainable Development Goals
9.4: (I)	Social responsibility system establishment	Sustainable Development Strategies Product Quality and Safety Environmental Management System Employees' Rights, Benefits, and Welfare Occupational Health and Safety Making Contribution to Social Value Benchmarking Index
9.4: (II)	Deficiencies and problems in the fulfillment of social responsibility	
9.4: (III)	Improvement measures and specific timelines	
9.5 Returns to Shareholders		Investor Protection
9.6 Financial Soundness		Investor Protection Internal Control ESG Data Performance Table
9.7 Protection of Employee Rights and Interests		Employees' Rights, Benefits, and Welfare
9.8: (I)	Compliance with environmental protection laws and regulations and industry standards	Environmental Management System
9.8: (II)	Environmental protection program	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Environmental Management System Resource Management Low-carbon Production and Operation
9.8: (III)	Natural resource use	Environmental Management System Emission and Waste Management
9.8: (IV)	Pollutant disposal	
9.8: (V)	Pollution prevention and control facility	
9.8: (VI)	Payment of taxes and fees related to environmental protection	
9.8: (VII)	Supply chain environmental security	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Supply Chain Management
9.8: (VIII)	Other environmental protection responsibilities	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Environmental Management System Resource Management Low-carbon Production and Operation Emission and Waste Management
9.9: (I)	Environmental protection guidelines, objectives and effectiveness	Environmental Management System Emission and Waste Management ESG Data Performance Table
9.9: (II)	Total annual resource consumption	ESG Data Performance Table
9.9: (III)	Environmental investment and environmental technology development	Environmental Management System
9.9: (IV)	Management of pollutant discharges	Emission and Waste Management Appendix IV: 2023 Emissions and Ecological Permits of Key Units for Environmental Supervision

Clause and disclosure		Section
9.9: (V)	Construction and operation of environmental protection facilities	Environmental Management System
9.9: (VI)	Waste treatment, disposal, recycling and comprehensive utilization of waste products	Emission and Waste Management
9.9: (VII)	Voluntary agreements with environmental authorities	NA.
9.9: (VIII)	Incentives received from the environmental authorities	
9.9: (IX)	Other voluntary disclosures	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Environmental Management System Resource Management Low-carbon Production and Operation Emission and Waste Management Biodiversity protection ESG Data Performance Table
9.10 Implementation of Environmental Protection Policies		Environmental Management System
9.11 Disclosure of Environmental Information		Emission and Waste Management Appendix IV: 2023 Emissions and Ecological Permits of Key Units for Environmental Supervision ESG Data Performance Table
9.12: (I)	Product safety laws and regulations and industry standards	Product Quality and Safety
9.12: (II)	Production environment and production process	
9.12: (III)	Product quality and safety guarantee mechanism and contingency plans	
9.12: (IV)	Other production and product safety responsibilities	
9.13: (I)	Employee management system and measures to deal with violations	Employees' Rights, Benefits, and Welfare
9.13: (II)	Prevention of occupational hazards and supporting safety measures	Occupational Health and Safety
9.13: (III)	Employee training	Talent Training and Development
9.13: (IV)	Other responsibilities for protecting employee rights and interests	Employees' Rights, Benefits, and Welfare Talent Training and Development Occupational Health and Safety
9.14 Science Ethics		This Year's Special Topic: Consistently Surpassing Expectations and Pioneering through Innovation
9.15 Supervision and Monitoring		Management of Material Topics

GRI Content Index

Statement of use	CATL prepared a report in accordance with GRI standards from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No Sector Standard(s) used

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview of CATL	Not applicable to "omission"		
	2-2 Entities included in the organization's sustainability reporting	Report Preparation Instructions			
	2-3 Reporting period, frequency and contact point	Report Preparation Instructions			
	2-4 Restatements of information	ESG Data Performance Table			
	2-5 External assurance	Assurance Statement			
	2-6 Activities, value chain and other business relationships	Overview of CATL Supply Chain Management Product Quality and Safety Customer Relationship Management Report Preparation Instructions			
	2-7 Employees	ESG Data Performance Table			
	2-8 Workers who are not employees	Occupational Health and Safety			
	2-9 Governance structure and composition	Corporate Governance Structure Sustainable Development Strategies			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Structure			
	2-11 Chair of the highest governance body	Corporate Governance Structure (See details in the 2023 Annual Report of Contemporary Ampere Technology Co., Limited)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure Sustainable Development Strategies Management of Material Topics			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Structure Sustainable Development Strategies			
	2-14 Role of the highest governance body in sustainability reporting	Report Preparation Instructions Sustainable Development Strategies Management of Material Topics			
	2-15 Conflicts of interest	Corporate Governance Structure (See details in the 2023 Annual Report of Contemporary Ampere Technology Co., Limited) Integrity Construction			

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Sustainable Development Strategies Management of Material Topics			
	2-17 Collective knowledge of the highest governance body	Sustainable Development Strategies			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Structure	2-18-c	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	2-19 Remuneration policies	Corporate Governance Structure Sustainable Development Strategies			
	2-20 Process to determine remuneration	Corporate Governance Structure			
	2-21 Annual total compensation ratio	Omitted	2-21-a 2-21-b 2-21-c	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	2-22 Statement on sustainable development strategy	Message from the Leader Sustainable Development Strategies Contribution to Global Sustainable Development Goals			
	2-23 Policy commitments	Integrity Construction Supply Chain Management			
	2-24 Embedding policy commitments	Integrity Construction Supply Chain Management			
	2-25 Processes to remediate negative impacts	Supply Chain Management Integrity Construction			
	2-26 Mechanisms for seeking advice and raising concerns	Integrity Construction			
	2-27 Compliance with laws and regulations	See details in sections of the Report			
	2-28 Membership associations	Making Contribution to Social Value			
	2-29 Approach to stakeholder engagement	Management of Material Topics			
2-30 Collective bargaining agreements	Omitted	2-30-a 2-30-b	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality	
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Management of Material Topics	Not applicable to "omission"		
	3-2 List of material topics	Management of Material Topics			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Appendix I: Table of Material Topics Investor Protection This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Employees' Rights, Benefits, and Welfare			

GRI standard/ Other sources	Disclosure	Location	Omission description			
			Requirements	Reason	Interpretation	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Investor Protection ESG Data Performance Table				
	201-2 Financial implications and other risks and opportunities due to climate change	This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals	201-2-a-iii 201-2-a-v	Confidentiality limitations	The Company withholds disclosure of the quantitative financial impacts of climate-related risks and opportunities, as well as the costs associated with actions taken to mitigate such risks or leverage opportunities.	
	201-3 Defined benefit plan obligations and other retirement plans	Employees' Rights, Benefits, and Welfare	201-3-a 201-3-b 201-3-c 201-3-d	Missing/incomplete information	This information is not yet statistically available.	
	201-4 Financial assistance received from government	Omitted	201-4-a 201-4-b 201-4-c	Missing/incomplete information	This information is not yet statistically available for full disclosure	
	Indirect economic impacts					
	GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Making Contribution to Social Value			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Making Contribution to Social Value				
	203-2 Significant indirect economic impacts	Making Contribution to Social Value				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Supply Chain Management				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Omitted	204-1-a 204-1-b 204-1-c	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality	
	Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Integrity Construction				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Integrity Construction ESG Data performance table				
	205-2 Communication and training about anti-corruption policies and procedures	Integrity Construction ESG Data Performance Table	205-2-a 205-2-d	Missing/incomplete information	This information is not yet statistically available	
	205-3 Confirmed incidents of corruption and actions taken	Integrity Construction	205-3-c	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Fair Competition				

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Omitted	206-1-a 206-1-b	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Low-carbon Production and Operation			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Data Performance Table During the reporting period, the Company was not involved in fuel use from renewable energy sources	302-1-c 302-1-d	Confidentiality limitations NA.	The Company does not disclose its energy consumption. The Company's business does not involve sales from internal energy sources
	302-2 Energy consumption outside the organization	Omitted	302-2-a 302-2-b 302-2-c	Missing information	It is difficult for the Company to account for actual external energy consumption for too many business relationships and value chain links involved
	302-3 Energy intensity	ESG Data Performance Table			
	302-4 Reduction of energy consumption	Low-carbon Production and Operation This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals The decline in energy consumption is calculated based on the energy consumption level before implementing the energy conservation and efficiency program, and the annual comprehensive energy consumption savings are calculated according to the <i>General Principles for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)</i>			
	302-5 Reductions in energy requirements of products and services	Omitted	302-5-a 302-5-b 302-5-c	Missing information	The users of the Company's main products and services and the specific use scenarios are complicated, and it is not possible to count the reduction in energy demand at the product end; during the reporting period, the Company developed and provided green products and services to reduce energy consumption at the use end

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Resource Management Emission and Waste Management			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Management Emission and Waste Management Neither the Company nor any of its key organizations in the value chain are involved in significant impacts on water resources, and it did not partner with suppliers, customers, etc. to manage water-related impacts and did not set publicly available water-related targets			
	303-2 Management of water discharge-related impacts	Emission and Waste Management			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	ESG Data Performance Table	303-3-a 303-3-b 303-3-c	Incomplete information	The Company currently counts the total amount of water withdrawn, which is not quantified by source/freshwater or other water, and in areas under water stress
	303-4 Water discharge	Omitted	303-4-a 303-4-b 303-4-c 303-4-d	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	303-5 Water consumption	The Company did not see any impact on water resources, directly or indirectly, caused by changes in water storage.	303-5-a 303-4-b 303-5-d	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics This Year's Special Topic: Leading the Industry to Realize the Zero-Carbon Goals Low-carbon Production and Operation Emission and Waste Management			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Data Performance Table The Company only calculates CO ₂ emissions, uninvolving the selection of GW; The Company had no emissions of CO ₂ from biogenic sources during the reporting period; The Company tentatively set the data after third-party verification in 2021 as the baseline year emission data, and had no significant changes beyond the baseline year recalculation threshold during the reporting period; The Company accounts for its manufacturing bases of all domestic and foreign subsidiaries in the battery products manufacturing segment by the operational control method and will expand the scope of its accounting coverage			

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESG Data Performance Table Information on gas species in- cluded, biogenic emissions, base- line year, GWP values, consoli- dation method-ology, etc. is the same as for 305-1			
	305-3 Other indirect (Scope 3) GHG emissions	Omitted	305-3-a 305-3-b 305-3-c 305-3-d 305-3-e 305-3-f 305-3-g	Missing information	The Company operates within intricate business relationships and value chains, making direct quantification of Scope 3 emissions across the entire value chain challenging. The Company has identified crucial categories of Scope 3 emissions and is currently undertaking accounting and third-party verification of Scope 3 emissions for specific bases. Relevant information will be disclosed following the acquisition of the verification statement.
GRI 305: Emissions 2016	305-4 greenhouse gas emissions intensity	ESG Data Performance Table			
	305-5 Reduction of GHG emissions	This Year's Special Topic: Leading the Industry to Realize the Zero- Carbon Goals Low-carbon Production and Operation The Company included CO ₂ in calculating cumulative emission reductions from energy efficiency projects this year, which involves the calculation of Scope 1 and Scope 2 emission reductions; the above calculation refers to the <i>General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises</i> (GB/T 32150-2015) and the <i>Accounting Method and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (Exposure Draft) (2022)</i>			
	305-6 Emission of ozone- depleting substances (ODS)	Omitted	305-6-a 305-6-b 305-6-c 305-6-d	NA.	During the reporting period, the Company had no significant emissions of ODS such as related refrigerants, and there was no quantization

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Emission and Waste Man- agement ESG Data Performance Table The Company refers to the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484- 2013) and other national, local, and industry standards for the quantification of significant gas emissions, and directly calculates the environmental values meas- ured by the Company	305-7-a	Incomplete information	The SO ₂ emitted during the production of battery products is mainly SO ₂ (which is also a category of pollutants to be controlled by key dischargers as determined by relevant regulations), so the Company only quantifies and discloses SO ₂ emission data The Company did not qualify HAP, POP, and PM data for the time being due to the lack of standard statistical methods in China
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Emission and Waste Management Low-carbon Production and Operation			
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Emission and Waste Man- agement During the reporting period, the Company ensured com- pliant disposal of both general industrial solid waste and haz- ardous waste by engaging quali- fied institutions. Upon evalua- tion, it was determined that the Company's inputs, activities, and outputs did not result in or pose potential direct environ-mental and social impacts. Domestic waste generated by the Company was diligently collected and sort- ed for centralized transporta- tion and disposal, with no asso- ciated impacts.			
	306-2 Management of significant waste-related impacts	Emission and Waste Management Low-carbon Production and Operation			
	306-3 Waste generated	ESG Data Performance Table			
	306-4 Waste diverted from disposal	ESG Data Performance Table Based on the actual waste generation and disposal practices within the Company, "general industrial solid waste" refers to non-hazardous waste, while "hazardous waste" pertains to waste possessing any of the characteristics outlined in Annex III of the <i>Basel Convention</i> . The Company did not include in the quantification of domestic waste of a small percentage and no material impact. The same below			
	306-5 Waste directed to disposal	ESG Data Performance Table The Company engages a third party to dispose of off-site waste directed to disposal			

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Supply Chain Management			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Data Performance Table			
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management ESG Data Performance Table	308-2-b 308-2-c 308-2-d	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare Talent Training and Development			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Data Performance Table	401-1-b	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees' Rights, Benefits, and Welfare			
	401-3 Parental leave	Employees' Rights, Benefits, and Welfare ESG Data Performance Table	401-3-d	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omitted	402-1-a 402-1-b	Missing information	This information is omitted and unavailable for full disclosure
Occupational health and safety					
GRI 3: Material Topics 2021	Management of material topics	Management of Material Topics Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety			
	403-3 Occupational health services	Occupational Health and Safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employees' Rights, Benefits, and Welfare Occupational Health and Safety			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety			
	403-6 Promotion of worker health	Employees' Rights, Benefits, and Welfare			

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety			
	403-9 Work-related injuries	Occupational Health and Safety ESG Data Performance Table	403-9-a-i/ii/iv/v 403-9-c	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
	403-10 Work-related ill health	Occupational Health and Safety	403-10-a 403-10-b 403-10-d 403-10-e	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Talent Training and Development			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Data Performance Table			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Training and Development			
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Data Performance Table			
Diversity and equal opportunities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare			
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	ESG Data Performance Table			
	405-2 Ratio of basic salary and remuneration of women to men	Omitted	405-2-a 405-2-b	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employees' Rights, Benefits, and Welfare			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employees' Rights, Benefits, and Welfare Supply Chain Management			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Employees' Rights, Benefits, and Welfare			

GRI standard/ Other sources	Disclosure	Location	Omission description		
			Requirements	Reason	Interpretation
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employees' Rights, Benefits, and Welfare Supply Chain Management			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Making Contribution to Social Value Environmental Management System Resource Management Emission and Waste Management			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental Management System			
	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental Management System During the reporting period, all ongoing projects at CATL complied with environmental impact assessment system requirements and environ- mental protection administra- tive licensing, avoiding opera- tions with significant actual or potential negative impacts on local communities.			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Supply Chain Management			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Data Performance Table			
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management ESG Data Performance Table	414-2-b 414-2-c 414-2-d	Confidentiality limitations	No disclosure to the public for the time being due to the need for information confidentiality
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Product Quality and Safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	The Company has comprehensive product inspection capabilities and conducts preventive inspections at every stage to ensure product quality and detect potential issues proactively.			
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	Product Quality and Safety			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Material Topics Information Security and Privacy Protection			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection			

Appendix

Appendix I: Table of Material Topics

The table below outlines the Company's significant topics, their definitions, boundaries, and their corresponding disclosure locations in the Report. "Topic boundary" refers to the specific links within the Company's value chain that may have significant impacts on ESG topics after initial identification, categorized as "Supply chain", "Production and operation", and "Product and service".

Highly material topic	Topic description	Topic boundary			Location
		Supply chain	Production & operation	Product & service	
Governance and economy					
Corporate governance	The Company implements a governance framework comprising the "General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Senior Management", emphasizing diversity and independence within the Board of Directors. This ensures standardized, transparent, and scientifically managed operations.		○		Corporate Governance Structure
Economic performance	The Company discloses its fixed obligations by generating and distributing economic value through its operations, encompassing revenues, costs, and the fulfillment of provided benefits.		○		Business Scope Investor Protection
ESG management	The Company builds a perfect ESG management system on ESG management structure, ESG management system, ESG information disclosure, ESG theme training, etc.		○		Sustainable Development Strategies
Anti-corruption	The Company puts in place an anti-corruption and anti-bribery management system, focusing on system construction, risk identification, conflict of interest management, anti-corruption awareness and training, as well as countermeasures.	○	○		Integrity Construction
Compliant operation	The Company strictly adheres to relevant domestic and international laws and regulations in conducting all of its business and operational activities, including battery manufacturing, energy storage, recycling, and mineral resource management.	○	○	○	Internal Control
Information security and privacy protection	The Company regulates data processing to ensure data security, including management methods and management actions.	○	○		Information Security and Privacy Protection
Environment					
Product carbon footprint	The Company manages carbon emissions across its product life cycle, offering environmentally beneficial green products through energy consumption reduction, renewable energy adoption, and design optimization. It strives to minimize environmental impacts throughout product life cycles, disclosing carbon emission data from products and operations while obtaining relevant declarations and certifications.	○	○	○	Leading the Industry to Realize the Zero- Carbon Goals Low-carbon Production and Operation
Clean technology opportunities	The Company adopts cleaner measures to advance the development and utilization of new cleaner technologies like energy storage and power batteries. It addresses pertinent policy requirements, expedites market expansion, and formulates systems and measures for the provision of more energy-secure products and services.		○	○	Leading the Industry to Realize the Zero- Carbon Goals

Highly material topic	Topic description	Topic boundary			Location
		Supply chain	Production & operation	Product & service	
Circular economy	The Company enhances the use of reusable, recyclable, and renewable materials in raw material procurement. It conducts research and utilizes technologies and measures to reduce, reuse, and recycle during production and operations; provides systems and measures related to the provision of recycled products with reusable and recyclable components and the promotion of consumers' awareness of sustainable consumption; and offers employment opportunities and space for development through the circular economy.	○	○	○	Low-carbon Production and Operation
Emission and waste management	The Company categorizes and disposes of wastewater, waste gas, hazardous waste, and non-hazardous waste to reduce emissions, including management methods and emission data.		○		Emission and Waste Management
Society					
Product quality and safety	The Company guarantees that its products or services comply with laws, regulations, industry standards, and the requirements of human health and personal and property safety, including management systems and measures.	○	○	○	Product Quality and Safety
R&D and innovation	The Company's management practices and measures in R&D and innovation, including management systems, plans, R&D investment, R&D progress of products under development, R&D measures to provide more accessible, durable, and easy-to-use products and services, R&D product patent management and intellectual property rights protection; as well as R&D ethics and innovation culture.		○	○	Consistently Surpassing Expectations and Pioneering through Innovation
Customer relationship management	The Company's systems and initiatives regarding customer service encompass handling complaints, customer education, and ensuring satisfaction. This includes transparent disclosure of customer service data and mechanisms to guarantee truthful and accurate product information without misinformation, exaggeration, or fraudulent behavior in marketing practices.		○	○	Customer Relationship Management
Employees' rights, benefits, and welfare	The Company's management system, measures, and achievements regarding employee compensation, benefits, social security, working hours, as well as democratic communication and employee welfare.	○	○		Employees' Rights, Benefits, and Welfare
Occupational health and safety	The Company ensures a safe workspace and essential protection for employees by establishing an occupational health management system, assessing and identifying risks of occupational diseases, and offering safety training.	○	○		Occupational Health and Safety
Work safety	The Company implements systems and protocols to secure the production process, pinpoint accident risks, develop emergency plans, and execute safety drills across mineral resource management, chemical production, and manufacturing sectors.	○	○		Occupational Health and Safety
Responsible supply chain	The Company carries out supplier access, classification, assessment, daily management, and training; systems and measures for environmental, labor, and social responsibility risk management include data disclosure of supplier statistics and risk assessment.	○			Supply Chain Management
Industrial cooperation and development	The Company's systems and measures enable information exchange, cooperation, and sharing across the value chain with pertinent industries, involvement in industry policy and standard development, and industry-academia-research collaboration to commercialize R&D findings. This fosters the collaborative growth of power batteries and related sectors, including materials, components, equipment, and vehicles.	○	○	○	Making Contribution to Social Value

Appendix II: Standards Glossary Index

To help stakeholders better understand the disclosures in the Report, the English abbreviation of the glossary appearing in the Report in alphabetical order is explained in the following table.

English abbreviation	Definitions
A	
APQP	Advanced Product Quality Planning
B	
BEV	Battery Electric Vehicle
C	
C.A.R.E.	Cohesion, Action, Respect & Empathy (CATL's C.A.R.E. System)
CAHRA	Conflict-Affected and High-Risk Areas
CCCMC	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
CFMS	CATL Facility Management System
CNAS	China National Accreditation Service for Conformity Assessment
COC	Code of Conduct Committee
COD	Chemical Oxygen Demand
CREDIT	Carbon Footprint, Recycling, Energy, Due Diligence, Innovation & Transparency (CATL's Value Chain Sustainability Transparency Audit)
CSMC	Corporate Sustainability Management Committee
CTC	Cell To Chassis
CTP	Cell To Pack
E	
EAP	Employee Assistance Program
EHS	Environment, Health & Safety
F	
FA	Failure Analysis
G	
GBA	Global Battery Alliance
GDPR	General Data Protection Regulation
GHG Protocol	Greenhouse Gas Protocol
GLN	Global Lighthouse Network
GRI	Global Reporting Initiative
H	

English abbreviation	Definitions
HEV	Hybrid Electric Vehicle
I	
IATF 16949: 2016	Automotive Quality Management System Standard
IFRS S2	<i>IFRS Sustainability Disclosure Standards 2 -- Climate Related Disclosures</i>
ILO	International Labour Organization
ISO/IEC 27001: 2022	<i>Information Security, Cybersecurity and Privacy Protection - Information Security Management Systems - Requirements</i>
ISO 14001:2015	<i>Environment Management Systems - Requirements with Guidance for Use</i>
ISO 14064-1: 2018	<i>Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emission and Removal</i>
ISO 37001:2016	<i>Anti-bribery Management Systems - Requirements with Guidance for Use</i>
ISO 45001: 2018	<i>Occupational Health and Safety Management Systems - Requirements with Guidance for Use</i>
ISO 9001: 2015	<i>Quality Management Systems - Requirements</i>
ISO 50001:2018	<i>Energy Management Systems - Requirements with Guidance for Use</i>
K	
KYS	Know Your Supplier
L	
LCA	Life Cycle Assessment
LTC	Leads To Cash
M	
MES	Manufacturing Execution System
MU	Manufacture Unit
N	
NH3-N	Ammoniacal Nitrogen
NMHC	Non-Methane Hydrocarbon
NMP	N-Methyl pyrrolidone
NO _x	Nitrogen Oxides
O	
OECD	Organization for Economic Co-operation and Development
P	
PAS 2060	<i>Specification for the Demonstration of Carbon Neutrality</i>
PHEV	Plug-in Hybrid Electric Vehicle
PM	Particulate Matter

English abbreviation	Definitions
R	
RBA	Responsible Business Alliance
RCO	Regenerative Catalytic Oxidizer
RTO	Regenerative Thermal Oxidizer
S	
SDGs	Sustainable Development Goals
SMED	Single Minute Exchange of Die
SS	Suspended Solid
T	
TISAX	Trusted Information Security Assessment Exchange
TO	Thermal Oxidizer
U	
UNGC	United Nations Global Compact
V	
VOCs	Volatile Organic Compounds
VR	Virtual Reality
W	
WAF	Web Application Firewall
WCA	Workplace Conditions Assessment
WEF	World Economic Forum
WWF	World Wildlife Fund

Appendix III: Full and Short Names of Companies

Full and Short Names of Companies in the Report

Full name	Short name
Contemporary Amperex Technology Co., Limited	CATL*
Qinghai Contemporary Amperex Technology Limited	CATL-QH
Jiangsu Contemporary Amperex Technology Limited	CATL-JS
Yichun Contemporary Amperex Technology Limited	CATL-YC
Contemporary Amperex Technology (Guizhou) Limited	CATL-GZ
United Auto Battery Co., Ltd.	UABC
Dongfeng Amperex (Wuhan) Battery Systems Co., Ltd.	DABS
CATL-FAW Auto Battery Co., Ltd.	CFBC
CATL-GAC EV Battery Co., Limited	CGBC
Sichuan Contemporary Amperex Technology Limited	CATL-SC
Xinjin Contemporary Amperex Technology Limited	CATL-XJ
Ruiting Contemporary Amperex Technology (Shanghai) Limited	CATL-RT
Contemporary Amperex Technology Thuringia GmbH	CATT
CATL-GEELY EV (Sichuan) Battery Co., Limited	CATL-GEELY (Sichuan)
Fuding Contemporary Amperex Technology Limited	CATL-FD
Jiaocheng Contemporary Amperex Technology Limited	CATL-JC
Ruiqing Contemporary Amperex Technology Limited	CATL-RQ
CATL-Changan EV Battery Co., Ltd.	CCEC
Xiamen Ampace Technology Limited	CATL-AMPA
Guangdong Brunp Recycling Technology Co., Ltd.	Guangdong Brunp
Hainan Brunp Recycling Technology Co., Ltd.	Hunan Brunp
Longyan Sicong New Material Co., Ltd.	Longyan SICONG
Contemporary Sicong New Material Co., Ltd.	CATL SICONG
Hunan Brunp Automobile Recycling Co., Ltd.	Hunan Brunp Automobile Recycling
Jiangsu Lithitech Technology Co., Ltd.	Jiangsu Lithitech
Ningde Anpu Environmental Technology Co., Ltd	Ningde Anpu
Pingnan Contemporary Electronic Technology Limited	CETL-PN
Pingnan Runneng New Materials Technology Limited	PNRN
Chengdu Jintang Contemporary Amperex New Material Technology Limited	CAML-JT

Appendix IV: 2023 Emissions and Ecological Permits of Key Units for Environmental Supervision

The emissions and ecological permits of the subsidiaries included in the key units for environmental supervision in 2023, according to regulations of the China Securities Regulatory Commission, the Stock Exchange, and the Ministry of Ecology and Environment, are shown below.

2023 Emissions of Key Units for Environmental Supervision

Company/subsidiary name	Type of major pollutant and particular pollutant	Name of major pollutant and particular pollutant	Method of discharge/emission	Number of outlets	Distribution of outlets	Mean discharge/emission concentration	Applicable discharge/emission standards	Total annual discharges/emissions	Upper limit of total annual discharges/emissions	Non-compliant discharges/emissions
CATL*	Water pollutant	Chemical oxygen demand (COD)	Indirect	3	Ningde Plant	15 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 150 mg/L	8.0136 tons/year	16.42 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	3	Ningde Plant	2.67 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 30 mg/L	0.8014 tons/year	2.2 tons/year	NA.
	Air pollutant	NO _x	Organized	42	Ningde Plant	76 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 200 mg/m ³	92.3467 tons/year	232.23 tons/year	NA.
	Air pollutant	SO ₂	Organized	42	Ningde Plant	3 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 50 mg/m ³	1.9097 tons/year	39.25 tons/year	NA.
Jiangsu Contemporary Amperex Technology Limited	Air pollutant	NO _x	Organized	13	Liyang Plant	27 mg/m ³	Upper limit on gas boiler emissions in Table 1 of the Emission Standard of Air Pollu-tants for Boiler (DB32/4385-2022): 50 mg/m ³	18.4834 tons/year	62.505 tons/year	NA.
	Air pollutant	SO ₂	Organized	13	Liyang Plant	3 mg/m ³	Upper limit on gas boiler emissions in Table 1 of the Emission Standard of Air Pollu-tants for Boiler (DB32/4385-2022): 35 mg/m ³	1.5994 tons/year	NA.	NA.
Fuding Contemporary Amperex Technology Limited	Water pollutant	Chemical oxygen demand (COD)	Indirect	2	Fuding Plant	10 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 150 mg/L	1.8537 tons/year	13.4 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	2	Fuding Plant	5.37 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 30 mg/L	0.1854 tons/year	1.34 tons/year	NA.
	Air pollutant	NO _x	Organized	26	Fuding Plant	42 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 200 mg/m ³	30.3199 tons/year	229.22 tons/year	NA.
	Air pollutant	SO ₂	Organized	26	Fuding Plant	3 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 50 mg/m ³	1.4097 tons/year	102.93 tons/year	NA.
Qinghai Contemporary Amperex Technology Limited	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Xining Plant	12 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 150 mg/L	0.1682 tons/year	NA.	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Xining Plant	0.17 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 30 mg/L	0.0023 tons/year	NA.	NA.
	Air pollutant	NO _x	Organized	3	Xining Plant	113 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 200 mg/m ³	6.2469 tons/year	9.4 tons/year	NA.
	Air pollutant	SO ₂	Organized	3	Xining Plant	3 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollu-tants for Boiler (GB 13271-2014): 50 mg/m ³	0.1193 tons/year	NA.	NA.

Company/subsidiary name	Type of major pollutant and particular pollutant	Name of major pollutant and particular pollutant	Method of discharge/emission	Number of outlets	Distribution of outlets	Mean discharge/emission concentration	Applicable discharge/emission standards	Total annual discharges/emissions	Upper limit of total annual discharges/emissions	Non-compliant discharges/emissions
Guangdong Ruiqing Contemporary Ampere Technology Limited	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Zhaoqing Plant	15 mg/L	Class 1 standard for the second period of the Discharge Limits of Water Pollutants (DB44/26-2001): 90 mg/L	0.0873 tons/year	1.701 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Zhaoqing Plant	0.10 mg/L	Class 1 standard for the second period of the Discharge Limits of Water Pollutants (DB44/26-2001): 10 mg/L	0.0006 tons/year	0.189 tons/year	NA.
	Air pollutant	NO _x	Organized	3	Zhaoqing Plant	3 mg/m ³	Emission limit of air pollutants for the second period in the Emission Limits of Air Pollutants (DB44/27-2001): 120mg/m ³ (DA027/028). Limit in the Emission Standard of Air Pollutants for Paint, Ink and Adhesive Industry (GB37824-2019): 200 mg/m ³ (DA009)	0.2413 tons/year	0.315 tons/year	NA.
	Air pollutant	SO ₂	Organized	2	Zhaoqing Plant	3 mg/m ³	The emission limit of Emission Standard of Air Pollutants for Paint, Ink and Adhesive Industry (GB37824-2019): Emission limit: 200 mg/m ³	0.0889 tons/year	NA.	NA.
Ruiting Contemporary Ampere Technology (Shanghai) Limited	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Lingang Plant	15 mg/L	Level 3 in Table 2 of the Integrated Wastewater Discharge Standard (DB 31/199-2018): 500 mg/L	0.0770 tons/year	2.17 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Lingang Plant	0.10 mg/L	Level 3 in Table 2 of the Integrated Wastewater Discharge Standard (DB 31/199-2018): 45 mg/L	0.0005 tons/year	0.03 tons/year	NA.
United Auto Battery Co., Ltd.	Air pollutant	NO _x	Organized	10	Liyang Plant	30 mg/m ³	Upper limit on gas boiler emissions in Table 1 of the Emission Standard of Air Pollutants for Boiler (DB32/4385-2022): 50 mg/m ³	9.5472 tons/year	57.8719 tons/year	NA.
	Air pollutant	SO ₂	Organized	10	Liyang Plant	3 mg/m ³	Upper limit on gas boiler emissions in Table 1 of the Emission Standard of Air Pollutants for Boiler (DB32/4385-2022): 35 mg/m ³	0.6496 tons/year	NA.	NA.
CATL-FAW Auto Battery Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Xiapu Plant	106 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 150 mg/L	0.7819 tons/year	1.935 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Xiapu Plant	4.39 mg/L	Indirect emission standard in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 30 mg/L	0.0782 tons/year	0.193 tons/year	NA.
	Air pollutant	NO _x	Organized	6	Xiapu Plant	32 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014): 200 mg/m ³	8.7523 tons/year	29.872 tons/year	NA.
	Air pollutant	SO ₂	Organized	6	Xiapu Plant	3 mg/m ³	Standard for gas boilers in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014): 50 mg/m ³	0.4162 tons/year	4.704 tons/year	NA.
Guangdong Brup Recycling Technology Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Foshan Plant	26 mg/L	The direct discharge limit in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 50 mg/L	0.7403 tons/year	NA.	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Foshan Plant	2.67 mg/L	The direct discharge limit in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 10 mg/L	0.0755 tons/year	NA.	NA.
	Air pollutant	NO _x	Organized	2	Foshan Plant	0.7 mg/m ³	Emission limit of nitrogen oxides in Table 4 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB 31573-2015): 100 mg/m ³	0.0267 tons/year	0.174 tons/year	NA.

Company/subsidiary name	Type of major pollutant and particular pollutant	Name of major pollutant and particular pollutant	Method of discharge/emission	Number of outlets	Distribution of outlets	Mean discharge/emission concentration	Applicable discharge/emission standards	Total annual discharges/emissions	Upper limit of total annual discharges/emissions	Non-compliant discharges/emissions
Hunan Brup Recycling Technology Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	2	Ningxiang Plant	133 mg/L	Level 3 standard in Table 4 of the Integrated Wastewater Discharge Standard (GB8978-1996): 500 mg/L	28.9594 tons/year	121.21 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	2	Ningxiang Plant	6.55 mg/L	Emission limit in Table 1 of the Emission Limits of Pollutants for Inorganic Chemical Industry (GB31573-2015): 40 mg/L (CS1-DW002); Class B limit in Wastewater Quality Standard for Discharge to Municipal Sewers (GB/T31962-2015): 45 mg/L (CS2-DW002)	0.9930 tons/year	18.539 tons/year	NA.
	Air pollutant	NO _x	Organized	6	Ningxiang Plant	14 mg/m ³	Limit in the Guiding Opinions on Low Nitrogen Transformation of Gas-fired Boilers (Facilities) in Changsha (Trial): 30mg/m ³ (CS2-DA059, CS2-DA060); 50mg/m ³ (CS1-DA025); limit in Table 2 of the Integrated Emission Standard of Air Pollutants (GB16297-1996): 240 mg/m ³ (CS2DA001, CS2-DA043; CS1-DA001)	3.0644 tons/year	8.842 tons/year	NA.
	Air pollutant	SO ₂	Organized	6	Ningxiang Plant	3 mg/m ³	Emission limit in Table 3 of the Emission Standard of Air Pollutants for Boiler (GB13271-2014): 50mg/m ³ (CS2DA059, CS2-DA060; CS1-DA025); Limit in the Comprehensive Treatment Implementation Plan of Hunan Province for Air Pollutants Emitted in Industrial Kilns (Xiang Huan Fa [2020] No. 6): 200 mg/m ³ (CS2-DA001, CS2-DA043; CS1-DA001)	0.4490 tons/year	3.601 tons/year	NA.
Hunan Brup Vehicle Recycling Technology Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Ningxiang Plant	18 mg/L	Level 3 standard in Table 4 of the Integrated Wastewater Discharge Standard (GB8978-1996): 500 mg/L	0.0119 tons/year	NA.	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Ningxiang Plant	0.06 mg/L	Level B limit in the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015): 45 mg/L	0.0003 tons/year	NA.	NA.
Ningde Anpu Environmental Technology Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Direct	1	Fuding Plant	23 mg/L	Level 1 limit in Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996): 100 mg/L	21.9920 tons/year	467.42 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Direct	1	Fuding Plant	2.46 mg/L	Level 1 limit in Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996): 15 mg/L	2.3078 tons/year	74.02 tons/year	NA.
Longyan Sicong New Material Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Longyan Plant	68 mg/L	Level B limit in Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015): 500 mg/L	0.0597 tons/year	0.34 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Longyan Plant	5.83 mg/L	Level B limit in Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015): 45 mg/L	0.0030 tons/year	0.024 tons/year	NA.

Company/subsidiary name	Type of major pollutant and particular pollutant	Name of major pollutant and particular pollutant	Method of discharge/emission	Number of outlets	Distribution of outlets	Mean discharge/emission concentration	Applicable discharge/emission standards	Total annual discharges/emissions	Upper limit of total annual discharges/emissions	Non-compliant discharges/emissions
Contemporary Sicong New Material Co., Ltd.	Water pollutant	Chemical oxygen demand (COD)	Indirect	1	Longyan Plant	17 mg/L	Indirect emission limit in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 200 mg/L	0.4205 tons/year	6.865 tons/year	NA.
	Water pollutant	Ammonia nitrogen	Indirect	1	Longyan Plant	1.73 mg/L	Indirect emission limit in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 40 mg/L	0.0211 tons/year	0.6864 tons/year	NA.
	Air pollutant	NO _x	Organized	5	Longyan Plant	13 mg/m ³	Emission limit of gas boilers in Table 2 of Emission Limit of Air Pollutants for Boiler (GB13271-2014): 200mg/m ³ (DA001). Emission limit in Table 3 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 200 mg/m ³ (DA004/008~010)	0.8371 tons/year	16.5065 tons/year	NA.
	Air pollutant	SO ₂	Organized	2	Longyan Plant	3 mg/m ³	Emission limit of gas boilers in Table 2 of Emission Limit of Air Pollutants for Boiler (GB13271-2014): 50mg/m ³ (DA001). Emission limit in Table 3 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 100 mg/m ³ (DA004)	0.0508 tons/year	1.1221 tons/year	NA.

Notes:

1. Jiangsu Lithitech Technology Co., Ltd. outsources industrial wastewater for disposal as hazardous waste subject to permission by competent authorities, with no emissions of nitrogen oxides and sulfur dioxide. Therefore, it does not discharge industrial wastewater pollutants COD and ammonia nitrogen, or emit air pollutants nitrogen oxides and sulfur dioxide;
2. "NA" means that the pollutant has no total amount calculation requirements where a company is located, or that according to the total amount calculation requirements where a company is located, the source of emissions or discharge is not required to calculate total amount, so the Company or subsidiary has not calculated annual emissions.

2023 Ecological Permits of Key Discharging Units

Name of the Company and its subsidiaries	Administrative permit or permit No.	Approval content	Obtaining time
CATL*	MHFP [2023] No. 31	Environmental Impact Report Form for 1 Added Industrial Rapid CT Machine in Hudedong Plant	July 26, 2023
	MHFP [2023] No. 38	Environmental Impact Report Form for 1 High-Performance Micro-CT (Industrial CT Machine)	August 8, 2023
	MHFP [2023] No. 42	Environmental Impact Report Form for 1 X-ray Inspection System (Industrial CT Machine) at the Engineering Center	September 19, 2023
	MHFP [2023] No. 49	Environmental Impact Report Form for 3 Industrial CT Machines	November 6, 2023
	MHFP [2023] No. 50	Environmental Impact Report Form for 1 Added High-Performance Micro-CT (Industrial CT Machine) in Huxi Plant	November 6, 2023
	NDQHP [2023] No.4	Environmental Impact Report Form for Engineering Center Project (Phase III)	August 1, 2023
	MHFZ [00330]	Re-application for radiation safety permit	July 14, 2023
	MHFZ [00330]	Re-application for radiation safety permit	October 27, 2023
	MHFZ [00330]	Re-application for radiation safety permit	December 27, 2023
CATL-FD	NDHP [2023] No.4	Environmental Impact Assessment Report Form for Lithium-ion Battery Production Base Phase II and Phase III Project (Change)	March 27, 2023
	NDHP [2023] No.8	Environmental Impact Assessment Report Form for Lithium-ion Battery Production Base Phase III Expansion Project	April 17, 2023
	Discharge Permit No.: 91350982MA35DLGG8F001U	Re-application for a discharge permit	August 10, 2023
	MHFZ [00442]	Re-application for radiation safety permit	July 6, 2023
CATL-JS	CHHS [2023] No. 59	Environmental Impact Report Form for 2 Expanded Industrial CT Devices	August 30, 2023
	Discharge Permit No.: 91320481MA1MNYLY9X001Q	Re-application for a discharge permit in the north plant	December 26, 2023
	Discharge Permit No.: 91320481MA1MNYLY9X002U	Re-application for a discharge permit in the south plant	December 22, 2023
	SHFZ [D0310]	Re-application for radiation safety permit	December 29, 2023
CATL-QH	NSJG [2023] No. 51	Environmental Impact Report Form for the Construction of 67# Warehouse, 68# Warehouse 2# NMP Tank Area and Electrolyte Workshop	September 7, 2023
	QHFZ [13014]	Change for a radiation safety permit	December 4, 2023

Name of the Company and its subsidiaries	Administrative permit or permit No.	Approval content	Obtaining time
CATL-RT	HHFZ [6L024]	Application for radiation safety permit	January 18, 2023
	HHFZ [6L024]	Re-application for radiation safety permit	December 25, 2023
UABC	CHHS [2023] No. 50	Environmental Impact Report Form for 1 Expanded Industrial CT Devices (Module Plant)	July 14, 2023
	CHHS [2023] No. 73	Environmental Impact Report Form for 1 Expanded Industrial CT Devices (CS3)	November 13, 2023
	Discharge Permit No.: 91320481MA1P5JKJ34001T	Re-application for a discharge permit	May 23, 2023
	SHFZ [D0337]	Re-application for radiation safety permit	August 3, 2023
	SHFZ [D0337]	Extension for a radiation safety permit	September 3, 2023
CFBC	Discharge Permit No.: 91350921MA32G3QY35001Q	Extension for a discharge permit	November 14, 2023
	Discharge Permit No.: 91350921MA32G3QY35001Q	Change for a discharge permit	December 7, 2023
	MHFZ [00365]	Re-application for radiation safety permit	March 31, 2023
	MHFZ [00365]	Re-application for radiation safety permit	November 10, 2023
Guangdong Brunp	Discharge Permit No.: 91440600782992365C001Y	Application for a discharge permit	January 10, 2023
Hunan Brunp	CHP (NX) [2023] No. 35	Environmental Impact Report Form for Graphite Recycling Pilot Project	April 7, 2023
	Discharge Permit No.: 914301246707605788001X	Re-application for a discharge permit of Plant 1	May 31, 2023
	Discharge Permit No.: 914301246707605788002V	Change for a discharge permit of Plant 2	April 20, 2023
	Discharge Permit No.: 914301246707605788003V	Cancellation for discharge permit of Plant 3	December 18, 2023
Hunan Brunp Automobile Recycling	CHP (NX) [2023] No. 16	Environmental Impact Report on Relocation and Upgrading Project	February 27, 2023
	Discharge Permit No.: 91430124670796044Y001U	Re-application for a discharge permit	May 31, 2023
	Discharge Permit No.: 91430124670796044Y001C	Re-application for a discharge permit	November 22, 2023
Ningde Anpu	Discharge Permit No.: 91350982MA32L7RQ2Q001V	Re-application for a discharge permit	November 27, 2023
CATL SICONG	Discharge Permit No.: 91350823MA32QFQB2T001V	Re-application for a discharge permit	May 31, 2023

Assurance Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., member of TÜV Rheinland Group, Germany (hereinafter "TÜV Rheinland", "We") has been entrusted by the management of the Contemporary Amperex Technology Co., Limited (hereinafter "CATL", "the Company") to conduct independent assurance of CATL's Environmental, Social and Governance (ESG) Report 2023 (hereinafter "the Report"). All contractual contents for this assurance engagement rest entirely within the responsibility of CATL. Our task was to give a fair and adequate judgment on the Report. The intended users of this assurance statement are stakeholders who have relevance to CATL's overall Sustainability Performance and impacts of its business activities during year 2023 (1 January 2023 ~ 31 December 2023). TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) Moderate level of assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1, Moderate level on CATL's sustainability performance information and data disclosed in the Report. The following assurance criteria were used in performing the assurance work:

- In accordance with GRI Sustainability Reporting Standards (GRI Standards)
- Guidelines for the Social Responsibility of Listed Companies (2006) of the Shenzhen Stock Exchange
- Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market (Revised in 2023)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AccountAbility Principles of *Inclusivity, Materiality, Responsiveness, and Impact*.

Assurance Methodology

Our assurance activities included:

- Reviewing the company's management practices, processes, and performance to evaluate the sustainability management system, including the sustainability policy, corporate governance, compliance management, risk management, stakeholder communication, material issue analysis, and ESG-related key performance.
- Conducting interviews with company management and managers responsible for gathering and analyzing information on sustainability performance.
- Reviewing and examining sustainability management practices and performance information and data to test the accuracy of such information and data based on a sample basis and applied analytical procedures.
- Collecting documentary evidence and assessing management representations to support adherence to the AccountAbility Principles.

Limitations



TÜV Rheinland performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report.

Our assurance work did not cover financial report and its financial data, and other information not related to sustainability.

Conclusions

Based on our methodology and activities performed within the scope of this assurance, we can reach a conclusion that no instances or information came to our attention that would be to the contrary of the statement made as below:

- CATL ESG report 2023 and its contents adhere to the AA1000 AccountAbility Principles and meet criteria requirements in accordance with GRI Sustainability Reporting Standards (GRI Standards).
- CATL has implemented management processes, including an energy and carbon emissions data management system to collect and aggregate key performance data related to material issues within the reporting boundary, while the company identifies, evaluates, defines and manages material issues.
- The ESG-related information and performance indicators disclosed in this report have been evaluated and supported by documentary evidence to truly reflect CATL's ESG management practices.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on CATL based on this Assurance Statement.

Adherence to the AA1000 AccountAbility Principles

Inclusivity

CATL's identified key stakeholders include investors, employees, customers, governments and regulators, suppliers, partners, and the public and the community. The Company communicates with these key stakeholders on ESG-related issues they are concerned about through a regular communication mechanism to understand the views of each stakeholder. Supporting evidence demonstrates that in 2023, CATL conducted an external stakeholder survey on adjustment of the previous year's material issues and analyzed the results to assess the impact of high-materiality issues on the company's business operations. The company has established ESG goals and indicators and promoted the achievement of ESG indicators through the management's ESG management performance appraisal work. This report discloses the relevant information and content of stakeholder communication, including the key issues of concern and how to respond.

Materiality

The supporting evidence shows that in 2023, CATL investigated the new policies of the stock exchange, domestic and foreign policies and regulations related to sustainable development, combined with the survey results of external stakeholders on the topic adjustment of the material issues of the previous year and the management practices of the industry, and analyzed the material issues of the current year, including new and updated topics. This process of material issues analysis, evaluation and prioritization is based on two dimensions: importance to external stakeholders and importance to the company's sustainability, and finally determines and forms a material topic matrix. As shown in the matrix chart, the high-materiality issues disclosed in this report include, but are not limited to, product quality and safety, safety production, R&D and innovation, circular economy, responsible supply chain, and compliance management. These high-impact material issues are reviewed and approved by the Board of Directors and highlighted in the report. At the same time, ESG management and risk management are new material issues, reflecting the importance that the company attaches to ESG management and risk management in business operations.

Responsiveness

CATL's Board of Directors attaches great importance to the needs and perspectives of key stakeholders on sustainability issues related to the Company's operations and implements impact analysis and strengthened risk management on high-material issues. Through a variety of communication methods and channels, the company conducts regular exchanges and interactions with these stakeholders and provides timely and appropriate responses



to stakeholders. Supporting evidence indicates that in 2023, the company's interactions with key stakeholders on important issues of concern to stakeholders, such as product quality and safety, production safety, circular economy, responsible supply chain, compliance management, employee rights and benefits, and economic performance, include investor hotlines, corporate social responsibility information disclosures required by regulators, internal information communication platforms, grievance and reporting mechanisms, employee training, customer meetings, supplier audits and training, partnership projects and community welfare activities, etc. In addition to regular ESG report disclosure, the company also regularly revises or updates ESG-related policies and publishes them on the company's official website in a timely manner.

This report discloses and responds to the ESG KPIs that stakeholders are concerned about, covering greenhouse gas emissions, emissions and waste management, employee employment, equity and diversity, occupational health and safety and supply chain management, and these data disclosures are comparable. In addition, in 2023, CATL officially released its zero-carbon strategic goals: to achieve carbon neutrality in core operations by 2025 and carbon neutrality in the value chain by 2035. Meanwhile, the company has developed and launched the Times Carbon Chain System to create a digital solution for carbon reduction in the value chain.

Impact

CATL pays attention to the potential and actual impact of ESG on its own operations and value chain, as well as the time frame for impact, and has implemented environmental impact assessment and safety assessment of all new construction projects in accordance with the law, including analysis and assessment of climate risks, water resource management, biodiversity conservation, and the impact of overseas project construction on communities. In 2023, for the first time, the company conducted a special audit of sewage stations and water risk analysis and evaluation to identify key problems and adopt effective response strategies. Supporting evidence shows that CATL applies appropriate methods or criteria to assess and manage key risk areas, including compliance risks, information security risks, production safety risks, employment risks, etc., and continuously manages supply chain risks, including conflict minerals. In addition to operational management, the Company has implemented other key management processes, including material issue assessment, issue boundary management, compliance and auditing management, and ESG risk management, while the Company has established ESG goals and indicators, and promoted efficient management of the impact of material issues and ESG performance.

Daniel Pan

Corporate Sustainability Service Technical Manager
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 7 March 2024



CATL

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