

CATL

2022

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



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About this Report

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

Reporting Scope

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

Reporting Period

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

Reporting Framework

This Report is prepared in accordance with Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies (2006), Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No.2 – Standard Operation of Listed Companies on ChiNext Market (2022), and Annex I of Guidelines of Shenzhen Stock Exchange for Listed Companies' Handling the Business No. 2 – Matters Related to the Disclosure of Periodic Reports (2020).

This Report is prepared in accordance with the Global Reporting Initiative Standards (GRI Standards), as well as in reflection of issues concerned by Sustainable Development Goals (SDGs), MSCI ESG Ratings and the S&P Global Corporate Sustainability Assessment (CSA).

Reporting Principles

○ Materiality

CATL identifies the operation-related material issues concerned by investors and other stakeholders, and reports on relevant ESG-related activities that may exert important influence on such groups. We take industry, regional and geographical features of the Company's operations into consideration when demonstrating the material issues in this Report. The process and outcome of material analysis are detailed in Materiality Assessment.

○ Accuracy

CATL ensures that the information in this Report is as accurate as possible. The scope, standards, methodologies and assumptions of quantitative data are elucidated lest errors in numerical calculation should mislead information users. The Board of Directors confirms that the information in this Report does not contain any false records, misleading statements or material omissions.

○ Balance

This Report reflects objective facts, and discloses any positive or negative information about the Company in an unbiased manner. According to the information retrieval from public database concerning the issues within the reporting scope, there is no significant negative event happened within the scope of reporting period that ought to have been disclosed founded.

○ Clarity

This Report is released in both simplified Chinese and English. Should there be any discrepancy between Chinese and English version, the Chinese version shall prevail. Tables, diagrams, [Glossary](#), etc. are incorporated in this Report as supplements to the text. For the convenience of our stakeholders acquiring relevant information, [Contents](#) and Index Table of relevant ESG standards are also provided.

○ Quantitative and Consistency

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

○ Completeness

The scope of this Report spans information of Contemporary Amperex Technology Co., Limited and its subsidiaries, unless stated otherwise.

○ Timeliness

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

○ Reliability

All the sources and quantification processes of quantitative data disclosed in this Report are traceable, which support external verification.

Notes to the Report's Data

All qualitative information and quantitative data in this Report are collected from CATL's authentic operational records or financial reports. Should there be any discrepancy between financial data in this Report with our Consolidated Financial Statements 2022, the latter shall prevail.

All monetary amounts in this Report are shown in CNY.

Contact Us

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Message from the Chairman

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

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

Nevertheless, the road to clean energy is not always smooth. The industry also encountered unprecedented challenges alongside rapid growth, such as macroeconomic fluctuations, upsurge of upstream raw material price, and the lingering pandemic. In 2022, by intensifying investment in R&D and innovation, we constantly released industry-leading solutions and services, strengthened market development, and deepened customer partnership. Meanwhile, we infused high-quality production capacity into operation as planned, hence the considerable output and sales. We have ranked No. 1 in EV battery consumption volume for 6 consecutive years, and in energy storage battery shipment for 2 consecutive years. With the cooperative effort of all staff, our revenue surpassed CNY 300 billion (approximately USD 44 billion) for the first time.

To achieve high-value creation, we insist on innovation as foundation. We continued to increase investment in R&D in 2022, 2022 with total amount over CNY 15 billion, a year-on-year growth of more than 100%. 16,322 employees were dedicated to R&D, among whom over 3,000 had a master or doctor's degree. During the course of serving more than 7 million vehicles, we have created a R&D closed loop based on powerful computing capacity, advanced algorithms, and massive data, with mutual corroboration between R&D testing and feedback practical driving, and henceforth a full life-cycle EV battery R&D chain. We launched Qilin Battery adopting the third generation of our CTP technology which achieves the highest integration level worldwide so far, capable of delivering a range of over 1,000 km in a breeze, and was recognized by *TIME* as one of the best inventions of 2022. Our original battery swapping solution, EVOGO, brought refueling services to users in Xiamen, Guiyang, Hefei and some other regions, creating a whole new experience for the market.

We hold that digitalization and intelligence give wings to high-level manufacturing. Since the EV battery is the heart of new energy vehicles, its quality plays an essential role. CATL established the largest private 5G network nationwide that covers six provinces, as well as the extreme manufacturing architecture with the technologies of big data and digital twin. Our industry-information integrated ecological platform centers on the intelligent manufacturing and enables the deep interaction of multiple platforms and systems. On this basis, our EV battery defect rate has decreased to the PPB level, with which we forge ahead towards digitalization and intelligence era. In 2022, following Ningde production base, our Yibin production base became the second in the lithium-ion battery industry selected as a member of the Global Lighthouse Network. With a more automated, digital and intelligent factory, we are able to respond with ease to major challenges, such as extremely high precision process, extremely fast production speed and extremely high requirements for quality.

We see going green as the underlying principle practicing high-quality development. Through providing EV battery, the key to carbon neutrality, we not only contribute to the realization of clean energy and green mobility worldwide, but also pursue green and low-carbon development ourselves. CATL implemented all-around carbon management in 2022 by carrying out over 400 energy conservation projects, effectively reducing carbon emissions by 447,230 tonnes. We reached 26.6% in renewable electricity transition, and lowered GHG emissions per unit product by 24.89% as well. Based on the analysis of carbon reduction potential in the whole EV battery value chain, we pioneered the phased carbon reduction theory within the industry, and launched the "CREDIT" transparency audit program on sustainable value chain. By sharing and passing on our experience in achieving zero-carbon factory, we anticipate the enhancement of more upstream enterprises' carbon competitiveness.

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

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

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

Dr. Robin Zeng

Chairman, Contemporary Amperex Technology Co., Limited



01

Overview of CATL

- Business Scope
- Global Locations

Overview of CATL

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



Company Name:
Contemporary Amperex Technology Co., Limited



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



Established:
December 2011



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



Vision

Rooted in the Chinese culture while embracing the global culture, strive to be a global premier innovative technology corporation, deliver excellent contribution to green energy resolution for mankind, and provide a platform of pursuing the spiritual and material well-being for employees!



Mission

Innovate to enable customer achievements, power your life



Core Value

Refine Enable Strive Innovate

Business Scope

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

EV Battery

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

Energy Storage Battery

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

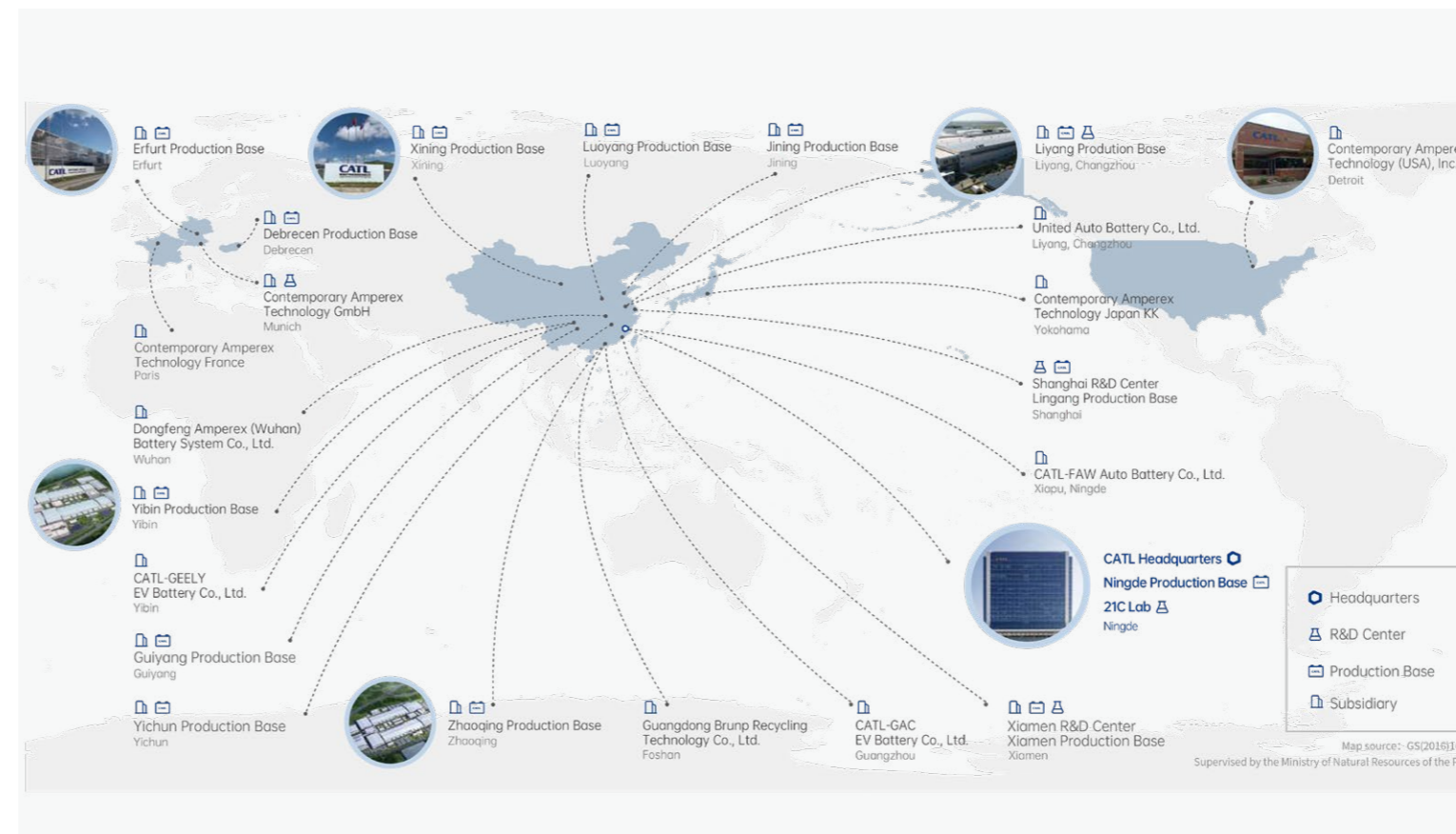
Battery Materials and Recycling

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

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

Global Locations

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



Headquarters

Ningde, Fujian Province

Five R&D Centers

China: Ningde, Fujian Province; Liyang, Jiangsu Province; Shanghai; and Xiamen, Fujian Province

Germany: Munich

Thirteen Production Bases

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

Germany: Erfurt

Hungary: Debrecen

02

Sustainable Development Governance

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


Sustainable Development Strategies

Sustainable Development Policies and Commitments

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


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

Sustainable Development Guidelines




All-win Harmony

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




Innovate to Achieve

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



Legitimate Operation

Continue to ensure safety of product, information, finance and operation. Prevent force majeure factors. Eliminate negative issues of integrity, ethics, and corruption issues in the enterprise and supply chain.



Eco-friendly

CATL continues to pay attention to environmental protection, use of renewable energy, energy saving and emission reduction, and resource recycling in enterprises and supply chains, advocates a green circular economy.

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

Sustainable Development Governance Structure

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

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



Responsibilities of the Corporate Sustainability Management Committee

- Review the policy, annual priority action plan and objective related to the Company's material issues of sustainable development, and give feedback.
- Determine and approve the organizational structure and job responsibilities of the Company's sustainability management.
- Conduct reviews and makes decisions about the Company's annual sustainability management and its reports.
- Review the Company's 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.

Recognitions and Awards

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

Received **A** in MSCI ESG Rating

Scoring **51** in CSA

Scoring B in CDP climate change questionnaire and winning the **Environmental Leap Forward Award**

Scoring **A-** in SynTao Green Finance rating

*The above rating statistics are as of Dec. 31, 2022

Contribution to Global Sustainable Development Goals

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

Management Process of SDGs

1. Understanding the definition of SDGs and identifying priorities

Identify the SDGs with high relevance to the Company through investigation, and communicate in-depth with all departments to find out how to participate in and support the implementation of SDGs with the current business model.

2. Integrating targets and formulating strategies

Integrate SDGs into CATL's material issues, and assess the extent to which management contributes to SDGs.

Plan to integrate the goals based on the value chain, cooperate with employees, customers, supply chain partners, and other stakeholders to formulate strategic goals, and combine SDGs and practical action.

3. Regular disclosure and communication

Conduct self-review to identify the contribution of business and operation actions to SDGs, to adjust the priority of SDGs in a timely manner.

Plan annual disclosure of management performance, goal achievement, and follow-up improvements, and maintain transparent communication with stakeholders.

CATL Actions Benchmarked against SDGs

Goal 1: No poverty

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

Goal 4: Quality education

Prioritize education development, fund children and students in financial difficulty through "Love and Help Students" campaign and "Brup Education Scholarship," and provide disadvantaged groups with equal access to education.

Fund the construction of campus and dormitory of the kindergarten and primary school, and hand them over to Ningde government departments for education management, to satisfy the educational needs of the community and the Company employees' children.

Proactively train technical talent, work with schools to customize professional courses, so as to cultivate excellent industry professionals.

Promote daily education for sustainable development through featured activities, education and publicity activities. Carry out themed activities that are both enlightening and entertaining, to communicate sustainable development knowledge to more stakeholders.

Goal 7: Affordable and clean energy

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

Carry out energy-saving and carbon-reduction projects actively, and improve energy efficiency by equipment optimization and transformation and other methods.

Establish partnership in talent and scientific research and development with well-known universities in China and abroad, to further enhance innovation ability.



Goal 8: Decent work and economic growth

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

Provide employment opportunities and protect employees' rights and benefits. Explicitly prohibit the employment of child labor and forced labor, and supervise suppliers to prevent child labor, inhuman treatment, and forced labor.

Determine employees' base pay according to the position value and personal performance and contribution. Introduce the fair and impartial performance appraisal mechanism, establish the short-term and medium and long-term incentive plan for the win-win development of enterprises and employees.

Be attentive to employees and create a safe and secure working environment; promote the integration of domestic and foreign cultures.

Protect the rights and interests of female employees by making flexible work arrangements, providing fundamental and supporting facilities, offering pregnancy leave and breastfeeding leave, and carrying out featured activities.

Goal 13: Climate action

Take actions to respond to global climate change, set up the climate change governance system, and advance the Company's management over climate change issues.

Perform comprehensive carbon management, and build a "Zero-carbon Factory," to help build a new low-carbon ecosystem of manufacturing plants.

Provide suppliers with sustainable development training that covers climate change, greenhouse emission, and other topics, to improve suppliers' sustainable development management.

Goal 12: Responsible consumption and production

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

Establish a circular economy system, build an ecological closed loop of "battery production → use → cascade utilization → recycling and resource regeneration," and improve the treatment capacity of waste batteries to reduce pollution of water and soil.

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

Propose sustainability management goals such as energy consumption per unit of product and carbon emission intensity to suppliers, and regularly monitor suppliers' progress in achieving them; conduct sustainability training to suppliers, covering topics such as climate change, greenhouse gas emissions, and product carbon footprint, to promote sustainable development in the industry chain.

Cultivate a corporate culture that values sustainable development, publish the ESG report regularly each year, and communicate with stakeholders on the progress of CATL's sustainable development actions.

Goal 9: Industry, innovation and infrastructure

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

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

Focus on a technological innovation system that combines industry, academia and research; establish cooperation with notable domestic and foreign universities and research institutions for talent, and scientific research and development; deploy of forward-looking technologies in the field of new energy.

Materiality Assessment

Issue Identification & Materiality Analysis

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

Issue Identification & Materiality Analysis Process



Identify a Pool of ESG Issues

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

Engage with Our Stakeholders

During the reporting period, the Company has conducted stakeholder surveys and issued online or offline questionnaires to 8 key internal and external stakeholders, including investors, executives and other employees, customers, government and regulators, suppliers, partners, public and community, to obtain their evaluation on the importance of ESG issues.

1,662 questionnaires were collected in this investigation, among which 1,437 were determined as valid according to effectiveness screening, accounting for 86.5% of total questionnaires. This valid recovery rate complied with the statistical criteria adopted by the Company. Upon the category statistics and quantitative analysis of valid questionnaires from stakeholders, we identified the ESG issues that are of most concern to each stakeholder and has utilized them as an important reference for importance assessment and ranking.

Perform the Materiality Analysis

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

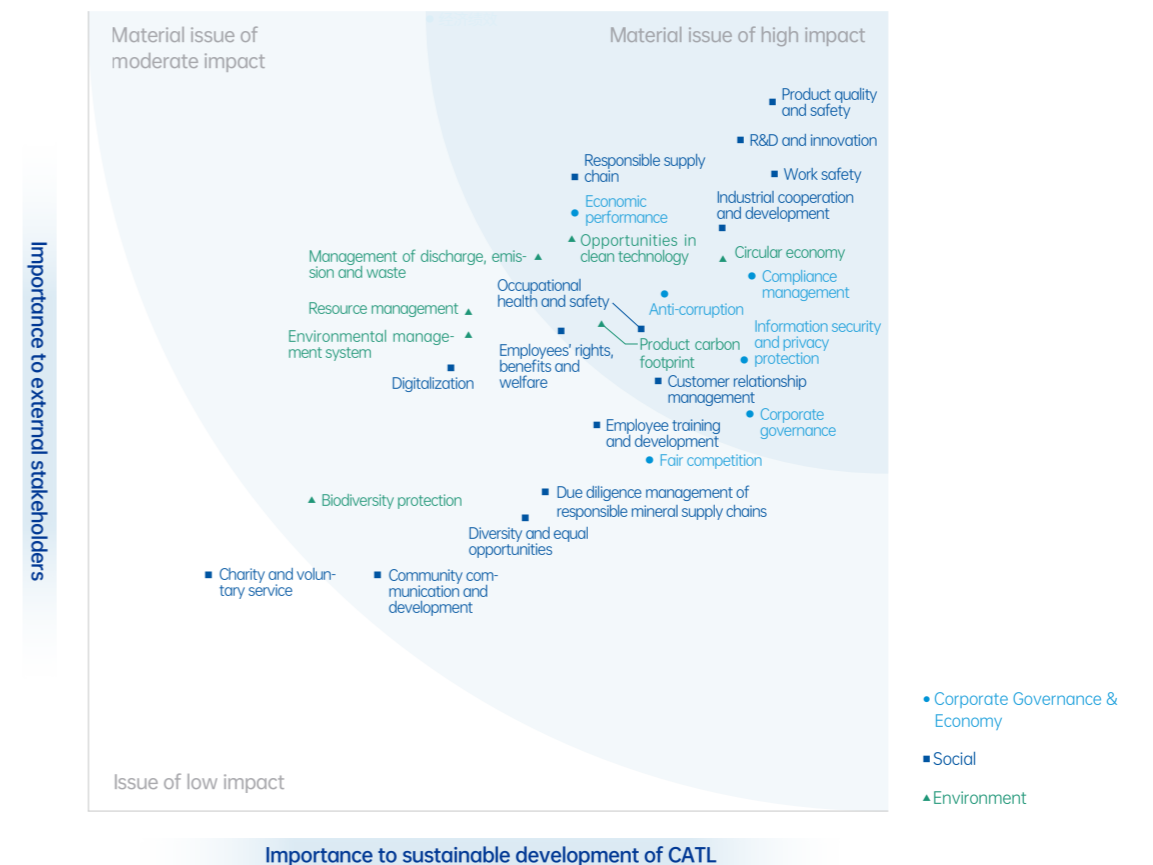
Determine and Report the Issues

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

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

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

Materiality Matrix



▲ List of High-Impact Material Issues 2022



Corporate Governance & Economy

- Compliance management
- Anti-corruption
- Economic performance
- Information security and privacy protection
- Corporate governance



Social

- Product quality and safety
- R&D and innovation
- Occupational health and safety
- Work safety
- Employees' rights, benefits and welfare
- Responsible supply chain
- Customer relationship management
- Industrial cooperation and development



Environment

- Circular economy
- Opportunities in clean technology
- Product carbon footprint
- Management of discharge, emission and waste

Communication with Stakeholders

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

▲ Concerns of Stakeholders and Communication Methods

Stakeholders	 Corporate shareholders and potential investors	 Employees: executives	 Employees: all employees other than executives	 Customers	 Government and regulators	 Suppliers	 Partners	 Public and community
Representatives or proxy organizations	Corporate shareholders and potential investors	General manager, deputy general manager and department heads	Representatives of trade union members, employee representatives, and representatives of other workers of the Company	Global automakers, energy storage and other energy projects developers	Government of the countries/regions where CATL's business activities take place, 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 CATL's business activities take place	NGOs, NPOs and other social organizations and mainstream media
Issues of Concern	Corporate governance Compliance management Economic performance Anti-corruption R&D and innovation Work safety Industrial cooperation and development	Compliance management Corporate governance Product quality and safety Work safety R&D and innovation Information security and privacy protection	Employees' rights, benefits and welfare Occupational health and safety Product quality and safety Employee training and development Diversity and equal opportunities Information security and privacy protection	Product quality and safety Responsible supply chain Circular economy Due diligence management of responsible mineral supply chains Product carbon footprint Opportunities in clean technology	Fair competition Anti-corruption Product carbon footprint Environmental management system	R&D and innovation Responsible supply chain Information security and privacy protection Product quality and safety Work safety Occupational health and safety	Industrial cooperation and development R&D and innovation Product quality and safety Economic performance Management of discharge, emission and waste	R&D and innovation Product quality and safety Economic performance Charity and voluntary service Community communication and development
Communication Methods and Channels	Annual General Meeting Financial statements and announcements Q&A on Shenzhen Stock Exchange interaction platform (Hudongyi) Investor hotline Roadshows and reverse roadshows Performance briefing and other communication activities	Internal management meeting and report Trainings on corporate governance Internal information communication platform Internal email exchange	Employee activity Employee training Employee assessment and promotion Trade union and workers' congress Internal information communication platform Organizational promotion committee Occupational health supervision Management of work safety Information security training and test for all employees	Customer satisfaction survey Provision of life-cycle green products and services Life-cycle quality management "CREDIT" transparency audit program on sustainable value chain Due diligence management of responsible mineral supply chains	Institutional investigation Official document exchange Policy implementation Information disclosure	Supplier quality/safety/due diligence management and review Supplier training and improvement "CREDIT" transparency audit program on sustainable value chain	Communication and exchange visits Associations and working teams related to standards and policies Strategic cooperation projects Information disclosure	Communication and exchange visits Media interview CIR innovation platform Life cycle quality management Information disclosure Social welfare projects Community volunteer activities

Responding to Climate Change

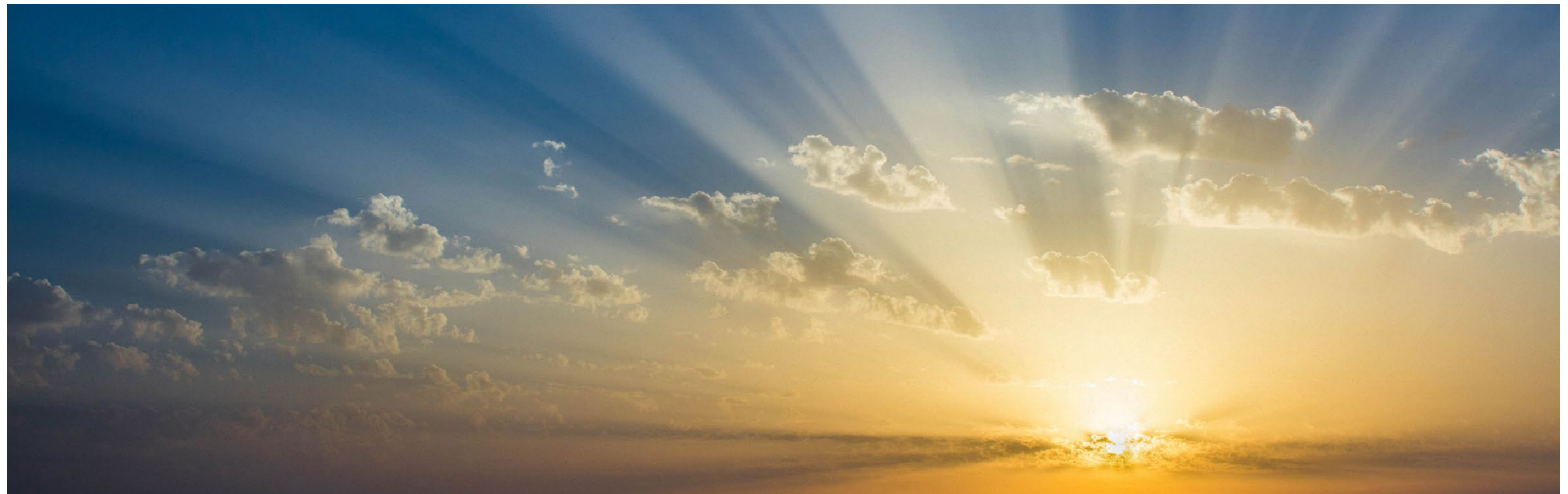
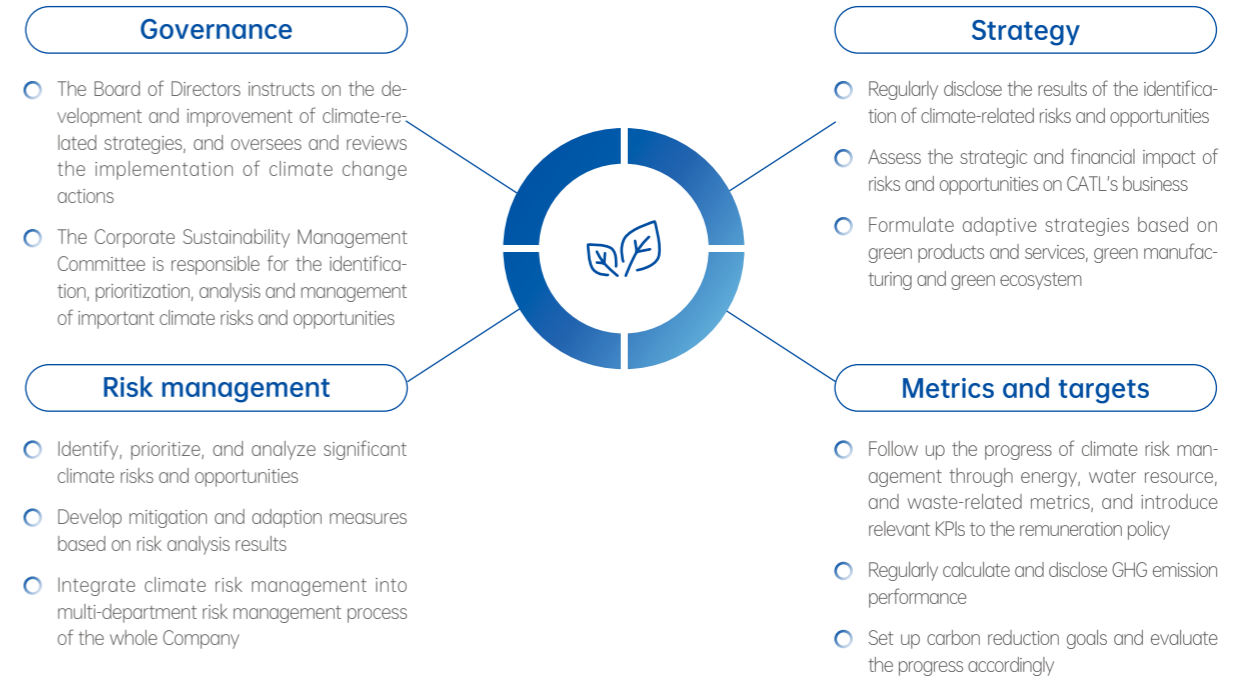
Climate Governance Framework

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

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

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

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

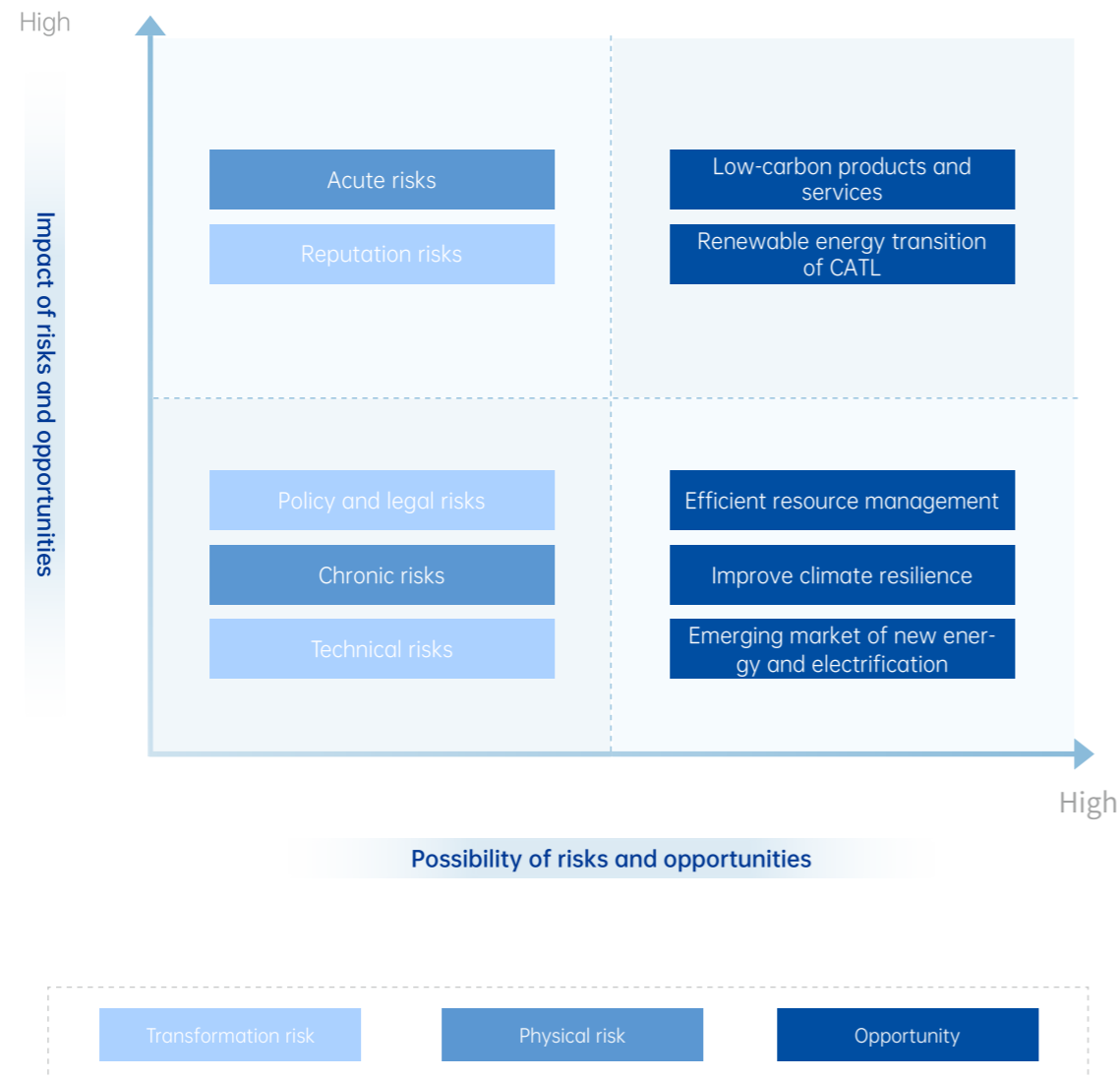


Analysis of Climate Risks and Opportunities

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

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

Climate Risks and Opportunities Matrix



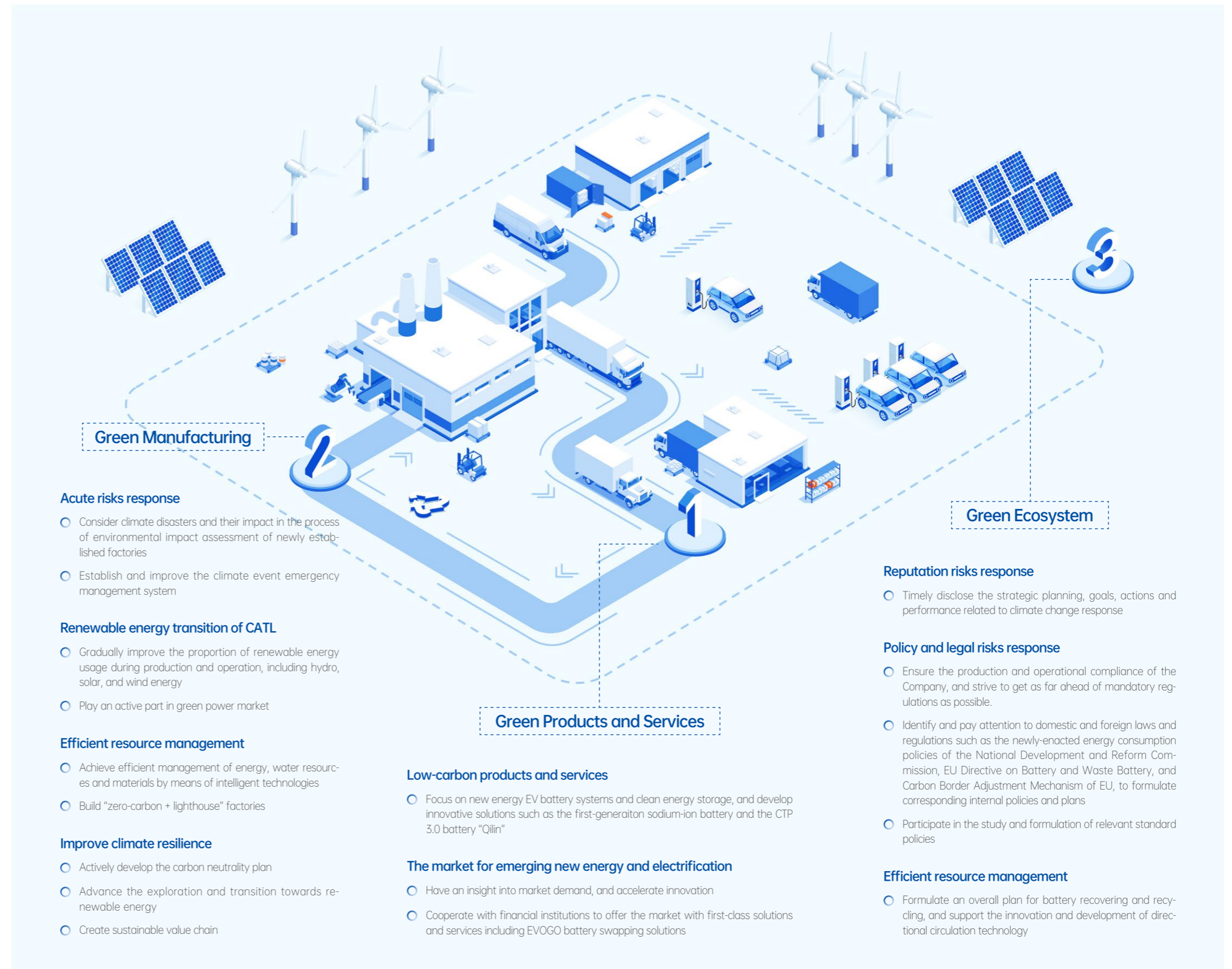
Significant Climate Risks and Opportunities

Category	Description	Potential Impact		
		Duration	Value Chain Components Affected	Financial Impact
Physical Risk				
Acute risks	Extreme weather events such as typhoons and floods become increasingly severe, which may result in depreciation of fixed assets, loss of labor and supply chain disruptions.	Short-mid term	Internal logistics Production & operations	Cost ↗ Income ↘
Transformation Risk				
Reputation risks	Customers, consumers, and other stakeholders are increasingly care CATL's performance in climate change governance. If no positive action against climate change is taken, the Company may fail to satisfy stakeholders' expectations, and harming the Company's image and reputation.	Short-mid term	Marketing & sales	Income ↘
Policy and legal risks	Increasingly strict regulatory requirements related to climate, recent and newly released laws and regulations on sustainable energy intensify the pressure on compliance management. The Company needs to meet the current compliance requirements during production, operations and sale, and prepare itself for the laws and regulations that will be enacted.	Mid-long term	Production & operations Marketing & sales	Cost ↗
Opportunities				
Low-carbon products and services	In the context of transformation towards a low-carbon economy, the social demand for green low-carbon products and services may grow. By further developing and providing low-carbon products, services and solutions, the Company can adapt to market demand better and realize further development.	Long term	Marketing & sales Services	Income ↗
Renewable energy transition of CATL	With the R&D and innovation of green technology and the issuance of supporting policies, the access to renewable energy has been gradually enhanced, and the price may lower gradually. By using renewable energy for production and operations, the Company can reduce the direct energy cost and respond to the regulatory pressure and low-carbon goal of the Company at the end market.	Mid-long term	Production & operations	Cost ↘
Efficient resource management	By carrying out energy management in production and operation, recycling water resources and materials and promoting green production and logistics, it will enhance resource efficiency and contribute to carbon reduction worldwide. An efficient resource management system can avoid waste and reduce the Company's operating cost effectively, and meanwhile improve production efficiency and supply capacity.	Mid-long term	Production & operations Inbound and outbound logistics	Cost ↘
Emerging market of new energy and electrification	As driven by China's goal of carbon peaking and carbon neutrality, the public sector, customers, consumers and the community prefer climate friendly products and services. Emerging markets show extensive demand for new energy vehicles and electrification transformation. The Company accelerates the development of the emerging new energy market, strengthens cooperation, and provides products and services that meet market demand and expectation, to achieve the long-term sustainable development of business and operating income.	Long term	Marketing & sales Services	Income ↗
Improve climate resilience	The continuous improvement of climate change response speed and adaptability will help seize relevant climate opportunities. By infrastructure investment and cultivating the climate adaptability of the supply chain, the stability of Company assets and operation improves. Furthermore, the Company can usher in new opportunities by introducing adaptive projects such as renewable energy and supplying first-class new energy-related products and services.	Long term	Production & operations Inbound and outbound logistics Marketing & sales Services	Income ↗

Climate Strategies

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

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



03

Corporate Governance: Stable and Efficient Operating Mode

Comprehensive corporate governance and responsible operation practice lay a foundation for sustainable development. CATL builds a sound governance system, strictly adheres to business ethics, and strengthens information security and privacy protection, to ensure its long-term and steady development, thus laying a foundation for actively fulfilling its environmental and social responsibilities.

Information disclosure

- Rated Grade **“A”** by Shenzhen Stock Exchange in the information disclosure evaluation for 3 consecutive years
- Awarded “2022 Best Practices for Corporate Governance of the Board of Directors of Listed Companies” by the China Listed Companies Association

Risk identification and management

- Conducted risk identification across the company, and identified **NINE** sectors of key risks, established the risk information repository, and improved risk management and control ability

Anti-corruption training

- Ensured **100%** coverage of staff integrity training

Our Focus 2022: Making Steady Headway in Construction of the Integrity Management and Cultivating a Clean and Upright Corporate Ecosystem

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

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



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

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

subsidiary and branch, and fortify the Company's ability of integrity supervision over its subsidiaries and branches.

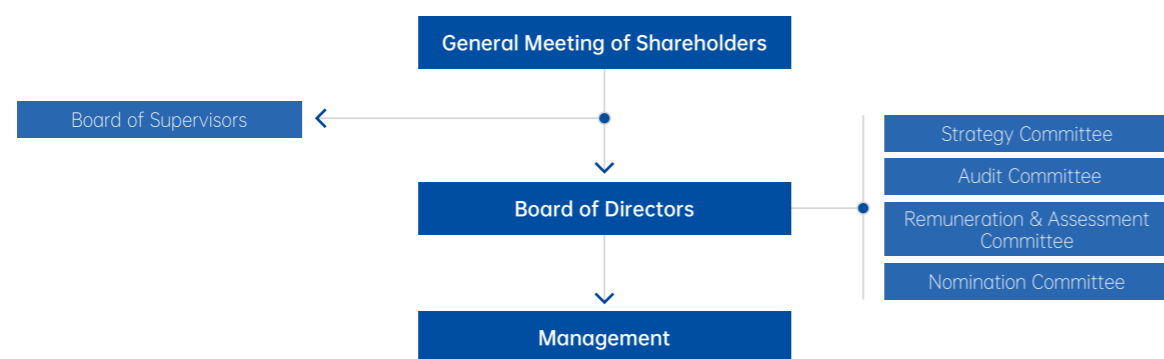
In addition, CATL also lays emphasis on the building of a clean supply chain. For instance, the Company constantly improves its bidding management procedure of procurement projects, introduces violation review in the process of supplier access, and reinforces suppliers' integrity and compliance management.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

Corporate Governance

Corporate Governance Structure

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

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 law, and reviews and approves the report of the board of directors.

Board of Directors

- The Board of Directors shall work in accordance with the Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market and the Rules of Procedure of the Board of Directors, mainly responsible for convening the general meeting of shareholders, implementing its resolutions, and managing the Company's information disclosure.
- The Board of Directors of the Company sets up a strategy committee, an audit committee, a remuneration and assessment committee and a nomination committee. Each committee performs its own duties in strict accordance with relevant laws and regulations, and rules of procedure, and provides a powerful supplement for the scientific decision-making of the Board of Directors.

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 executives' performance of duties.

Management

- The management of the Company shall perform duties in accordance with the Articles of Association and other relevant policies, strictly implement the resolutions of the Board of Directors and the general meeting of shareholders, actively promote business development and internal management, and ensure the Company's sustained and stable development.

CATL conducts the selection, appointment and dismissal of its directors and supervisors based on the Articles of Association of Contemporary Amperex Technology Co., Limited, and gives free rein to the Board of Directors and Board of Supervisors in decision making and business management. With a three-year term, the Company Directors are selected or changed through the shareholders' general meeting, who can renew their term of office upon expiration. The Company has built the Board of Directors performance review mechanism, to regularly evaluate board members' performance and guarantee the effective governance by the Board of Directors.

CATL takes the factors including industry experience, background, and gender, etc., of board members into full consideration to guarantee the Board of Directors staying healthy and diversified. Consisting of 9 directors, the current Board of Directors includes 3 independent directors and 2 female directors. Current board directors possess professional competence in different areas such as industry, finance, law, economics, and human resource management, etc., with rich industry experience.

Three Meetings in 2022

Meeting	Times	Proposals and Reports Reviewed
General Meeting of Shareholders	3	Totally 73 reports are discussed, reviewed, deliberated or heard
Board of Directors Meeting	14	
Board of Supervisors Meeting	10	

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

Protection of Investor Rights and Interests

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

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

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

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

Channels of Communication with Investors

						
Official website, WeChat official account	Regular report	Quarterly performance briefing	Investor research and investigation	Investor hotline	Shenzhen Stock Exchange interaction platform	Roadshow and reverse roadshow

During the reporting period, CATL has published a total of 142 interim announcements, held 7 performance briefings and investor surveys, received over 2,000 investment institutions and over 5,000 investors, answered 522 questions through Shenzhen Stock Exchange interaction platform, and has been rated Grade A in 2021 Shenzhen Stock Exchange annual information disclosure assessment.




Meanwhile, CATL attaches great importance to investors' return on investment. In the meantime when creating economic benefits by increasing R&D efforts and continuously expanding production scale, the Company has also formulated a reasonable profit allocation policy, to share profit according to the performance every year and actively repay shareholders. Since its founding, the Company has distributed CNY 2.95 billion to shareholders. During the operating period, the Company achieved a gross revenue of CNY 328,593.99million, up 152.07% on a year-on-year basis, while the net profit attributable to shareholders of listed companies was CNY 30,729.16 million, up 92.89% on a year-on-year basis. Under the principle of actively repaying all shareholders and sharing the Company's operating results, the Company made the plan to distribute 25.2 yuan (including tax) to shareholders for each 10 shares for 2022, totally CNY 6.155 billion; and, in the meantime, 8 shares being transferred from the capital reserve to all shareholders for each 10 shares, totally 1,954,011,619 shares.

Regulation of Related-Party Transactions

In order to regulate related-party transactions and reduce unnecessary related-party transactions, and prohibit the Company's controlling shareholders, actual controllers, directors, supervisors and senior management from using related-party transactions to harm the interests of the Company and minority shareholders, the Company has formulated the Articles of Association, Rules of Procedure for General Meetings of Shareholders, Rules of Procedure of the Board of Directors, Working System for Independent Directors, and Related-Party Transaction Management System, etc. with detailed regulations on the scope, review, disclosure and avoidance system of related-party transactions to ensure the fairness of the Company's related-party transaction decisions to all shareholders.

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

Internal Control and Risk Management

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

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

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

By means of the three-level risk identification across the Company, CATL has identified nine risk areas that must be paid attention to, including compliance risk, information security risk, production safety risk and employment risk, with three subsidiary dimensions of mechanism, system and measures including 73 items. Based on this, the Company has carried out risk evaluation, and developed the improvement measures to be implemented according to the evaluation results.

For the key risk areas, CATL has published the Trade Compliance Management System, Data Compliance Management System and Anti-monopoly Compliance System to further perfect its institutional system. By taking closed-loop management measures covering risk categorization, evaluation, improvement and supervision, the Company's ability in risk prevention and control can be further reinforced.

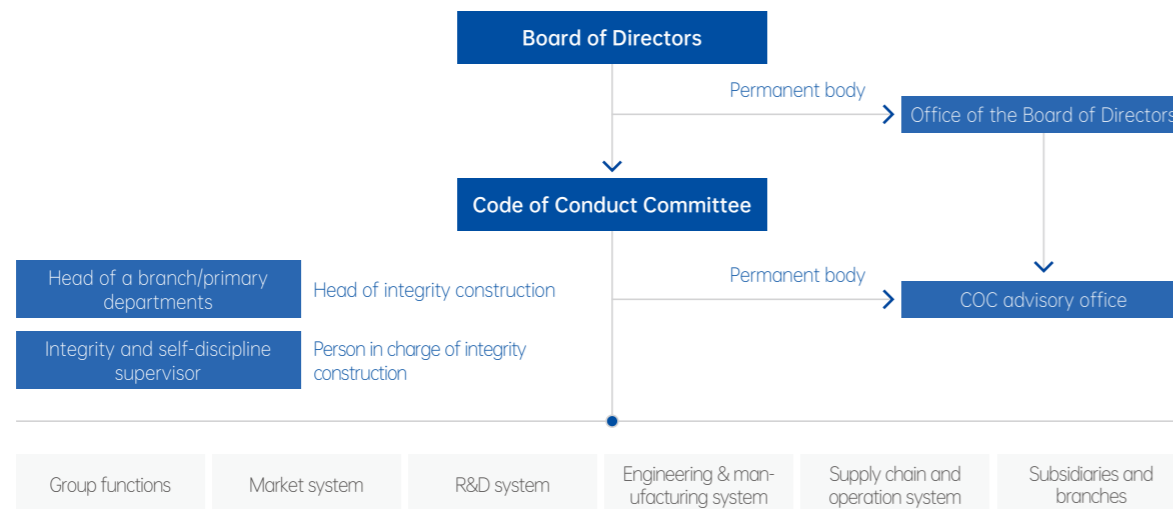
CATL has also built a complete risk management training system for employees of different stages, and enhanced their consciousness of risk management and control by gathering internal and external training resources. All new hires must receive training on the consciousness of risk management and control,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

Business Ethics

Integrity System Construction

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

▲ CATL's Integrity and Compliance Organization Structure



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

Construction of Integrity System

- Created 16 management systems with CATL Code of Conduct as the core. During the reporting period, CATL improved its anti-bribery system by creating or improving 10 anti-bribery risk control procedures and building 6 anti-bribery system management procedures.
- Company employees**
Several documents such as Six Prohibitions on CATL Employees from Corruption, Provisions on Accepting Gifts and Money by CATL Employees, Employee Integrity Handbook, etc. were issued to regulate employee behavior. All employees are required to sign the employee integrity agreement, and employees above the engineering level must take the initiative to report any conflict of interest.
During the reporting period, over 40,000 employee integrity agreements were signed, and over 14,000 employees above the engineering level, completed the reporting of conflicts of interest.
- Suppliers**
The Supplier Code of Conduct was formulated, and all suppliers were required to sign the Supplier Integrity Commitments before being hired. Any supplier violating the Commitments will be downgraded for the risk of qualification, and needs to pay liquidated damages, with the outcome of cooperation termination and blacklisting.

Integrity Culture Education

- Through integrity culture education, CATL guides employees to buy in and practice integrity culture, communicates the Company's achievement in integrity education to internal and external stakeholders, and calls on partners to practically fulfill their commitment to integrity.
- Company employees**
During the reporting period, over 20 integrity publicity education and training activities were organized; the integrity culture promotional film, Confessions of COC and Confession was published; special case law training, covering over 16,000 employees, were held; and 4 integrity knowledge contests and integrity certification examinations, involving 70,000 employees, were conducted with a pass rate over 98%.
- Suppliers**
During the reporting period, more than 800 important suppliers were invited to attend the integrity culture publicity and training activities, the "do not dare to be, are not able to be, and do not want to be corrupt" integrity construction system and supplier integrity management policies were introduced; and survey on the integrity construction satisfaction of more than 200 suppliers was done to timely discover any deficiency for improvement.

Integrity Supervision Mechanism

- The audit of "business ethics and anti-fraud" is conducted in all production bases at least once every three years.
- Special audit work on fraud risks as per requirement.
- Establish a coordination mechanism with local judicial office to seek for professional support.

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





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

Whistleblowing and Whistleblower Protection

CATL has provided comprehensive channels for reporting, including email, telephone/WeChat, fax, etc. In addition, the employees and partners can also get in touch with the COC advisory office directly to make complaints, inquiries and communicate opinions. The reporting channel is posted on the Company's official website, and it was also announced to all employees through internal email, training and bulletin boards.

During the reporting period, CATL carried out the themed publicity for all departments at the headquarter and important subsidiaries and branches. During the course, the Company created a poster about reporting, released Notes on COC Reporting to all employees, and published the COC Report Acceptance Scope and Whistleblowing Guide through the company forum, internal article sharing, and other forms of dissemination, to further increase employee recognition of the Company's reporting channels.

Reporting Channels

	Reporting Email	 CATL-COC@CATL.com
	Reporting Fax	 0593-8903598
	Reporting Address	 COC Advisory Office, CATL Technology Building, No. 2 Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian, P.R. China

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

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

Fair Competition

CATL engages in business operations based on the principles of voluntariness, equality, fairness and integrity, and resolutely opposes unfair competition. In strict accordance with Antimonopoly Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, and other relevant laws and regulations, the Company actively guides employees to maintain good business practice and safeguards the environment of fair competition in the industry.

The compliance management department of the Company is responsible for the overall compliance management of anti-monopoly and unfair competition, including dynamic follow-up and interpretation of laws and regulations, institutional system construction, compliance risk assessment, compliance review and compliance training. The Company identifies and assesses risks with consideration of laws, regulations, business patterns and external environment, to define its own compliance obligations and move forward.

For regulation, CATL has developed and published the Anti-monopoly Compliance System and provided compliance training to managers. The Company guides business departments to follow the Competitor Communication Guide that it developed. For implementation, the compliance team must closely cooperate with the legal team of the Company to conduct a compliance review on contracts from the perspective of fair competition. Relevant businesses must agree to compliance assessment and be reported as required by law.

During the reporting period, CATL has not been sanctioned for any violation of Antimonopoly Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China.

Protection of Intellectual Property Rights (IPR)

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

CATL has formulated the Regulations on Intellectual Property Incentive, Regulations on The Establishment and Operation of Patent Management Committee and Methods for Patent Application Evaluation and other documents to canonically manage the whole procedure including innovation, management, application and protection of the Company's IPR. During the reporting period, the Company has formulated and published IPR management system documents such as Patent Administration Methods, Guidelines for IP Management Specifications in R&D Projects and Scientific and Technological Innovation Points Management Regulations, to further improve the Company's IPR management and patent application life cycle management.

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

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

To create a fair competition environment of the industry, CATL actively carries out IPR protection work. The Company has set up a market and technology investigation department to follow the technology development and market trend of products similar to the Company, and gives timely warnings about products that maliciously infringe the Company's patent rights. The patent department of the Company is responsible for investigating malicious infringement, obtaining evidence properly, giving warnings, conducting litigation, etc., to safeguard CATL's legitimate rights and interests.

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

Information security and privacy protection

Information Security Management

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

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

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

Office has five teams, respectively responsible for security strategy decision-making, security technology research, security intelligence analysis, security scheme implementation and security incident response, and carries out specific work covering all production bases of CATL with the support of external consulting agencies, testing agencies and auditing agencies. By the end of the reporting period, CATL*, CATL-JS, CATL-SC, CATL-XJ, CFBC, and UABC have passed ISO/IEC 27001 information security management system certification. In the meantime, CATL*, CATL-JS, CFBC and CATT have passed the highest-level Trusted Information Security Assessment Exchange (TISAX) assessment.

Information Security Management System

System Management Document



- **Formulate internal management documents**
Personal Information Protection Management Procedure, Compliance Management Procedure of Laws and Regulations, and Instructions for Management of External Personnel Visits.
- **Sign confidentiality contract**
All employees are required to sign the Confidentiality Contract when joining the Company, and the engineers and high-ranking employees are required to sign more strict 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**
Strengthen the protection of classified data, and prevent any unauthorized access or visit.

Supplier Information Security



- **Supply chain information security review**
Regularly carry out supply chain information security audits. These cover information security organization and strategy, personnel management, physical security, data security, information security incidents and other fields, enabling the identification of information security risks; providing coaching to suppliers in rectification and improvement. During the reporting period, information reviews of about 160 suppliers were conducted.
- **Information security protection training**
Provide suppliers with information security training through "Confidentiality Agreements" and "Instructions on Supplier Security and Confidentiality," with assessments.

Security Consciousness of All Employees



- **Information security study and examination**
Conduct information security training and examinations for all employees including new employees. During the reporting period, 369.5 thousand information security training sessions were provided to employees, among whom 99.9% have passed the exam.
- **Recognition of advanced organizations and individuals**
Present awards to organizations and individuals that make outstanding contributions to information security. During the reporting period, 7 Excellent Organizations in Security and Confidentiality Awards and 29 Excellent Workers in Security and Confidentiality Awards were issued.

To support the multi-business-form and global strategic layout of the Company, during the reporting period, CATL upgraded its overall intelligence-based information security system, including information security management, information security operations, information security technology and information security supervision. Through this upgrading, CATL optimized the security structure at the company level, improved 30 information security processes, implemented 16 key security technologies including the data encryption system and security operation center, published the information security performance indicators, and established the information security system with the feature of digital intelligence by integrating the organization, process, regulations, system and data.

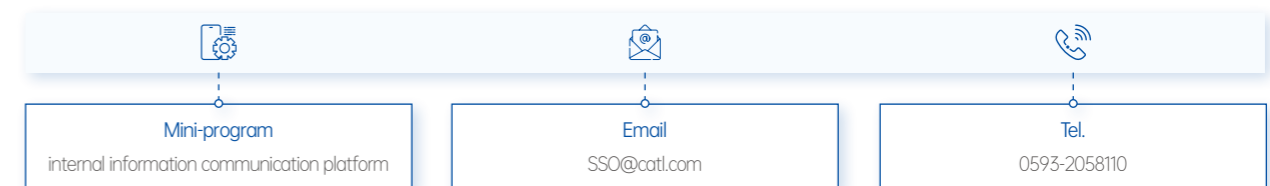
During the reporting period, to comply with the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, CATL established a complete information security audit system, and assessed the security and compliance of all data from all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

Information Security Audit Category and Frequency

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

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

Information Security Issues Feedback Channel



Privacy Protection

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

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

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

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

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

During the reporting period, CATL was not subject to any sanction for violating any law or regulation on information security and privacy protection.

04

Products and Services: Innovative Green Solutions for the Industry

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



Green R&D and Innovation

- During the reporting period, the R&D investment reached CNY **15,510,45** million a year-on-year increase of **101.66%**.
- The CTP 3.0 battery "Qilin" has set a new record for the greatest integration of battery systems in the world, and was recognized by *TIME* as one of the best inventions of 2022.

Green Production

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

Product Quality and Customer Service

- The **1ST** to obtain EPD certification in the global EV battery industry.
- Established a full life-cycle quality management system
- Passed CTEAS1001-2017 after-sales service certification with twelve stars, the **HIGHEST** in China as of the end of the reporting period.



Our Focus 2022: Powering Green Ecosystem Transformation through Ad- vanced Technology

As comprehensive electrification proceeds and electric vehicles continue their rapid development, the bar for overall battery performance is constantly being raised. At the same time, decarbonization has become an important driving force for the quality transformation of new-energy companies. CATL provides innovative green solutions for the industry, and makes outstanding contributions to decarbonization and transformation both of the industry and of society as a whole.

Providing Green Solutions

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

Providing EV Battery Systems and Services for Green Transportation Networks



- According to SNE Research, CATL's global market share for EV battery usage climbed to 37.0% during the reporting period, a year-on-year increase of 4.0%. The Company ranked No.1 globally in EV battery consumption volume for six consecutive years from 2017 to 2022.
- EV batteries have been sold to 60 countries and regions worldwide, with a cumulative sale of over 7 million vehicles furnishing such batteries.
- For passenger car applications, the Company has created a product series that includes nickel-rich ternary lithium-ion batteries, high-voltage Ni50 (medium nickel content) ternary lithium-ion batteries, cost-effective lithium iron phosphate battery, etc. The product series covers the needs of different segmented markets, including Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), and Hybrid Electric Vehicles (HEVs). It is adaptable to business models such as battery swapping and battery leasing, and is widely used in private cars and commercial vehicles, as well as in vehicles intended for special uses.
- In commercial applications, the Company provides customers with diversified products and solutions for passenger cars and commercial vehicles, such as road passenger transport, urban delivery, heavy-duty transport and urban cleaning. The products can also be used in electric bicycles, electric motorcycles and other two-wheeled vehicles, electric heavy or light-duty trucks, and other cargo vans, covering both the battery sharing and battery swapping business models. Construction machinery such as forklifts, loaders, excavators, and electric-powered marine vessels are also included.
- As the rate of vehicle electrification rises, carbon emissions of electric vehicles during operations and use stage will be greatly reduced compared with traditional fuel vehicles.

Providing Solutions and Services for Clean Energy Storage



- According to SNE Research, CATL held 43.4% of global ESS battery market share in terms of ESS battery shipment during the reporting period, a year-on-year increase of 5.1%, ranking first in the world for two consecutive years.
- Special battery cells for energy storage with unique technology were developed that combine intelligent liquid cooling temperature control, Cell-to-Pack (CTP) technology, and non-thermal propagation. EnerOne, an outdoor system with high charging and discharging efficiency, long service life, high integration and high level of safety, was launched together with EnerC, a product for all weather conditions. Through our R&D and innovations CATL is able to a full range of products, from cell components to complete ESS.
- Cover ESS main markets including the United States, China, Germany, the United Kingdom, Australia, and other countries & regions.

Green-Innovative Products and Solutions in 2022

CTP 3.0 Battery "Qilin"



In 2019, CATL launched the world's first module-less battery pack CTP, which greatly improved battery energy density. Then, in June, 2022, the Company officially released the CTP 3.0 battery "Qilin" accomplishing an all-round improvement in safety, efficiency, low-temperature performance, and service life. This was accomplished through technical innovations such as the multifunctional elastic interlayers, large-surface water cooling, and an integrated energy unit. With a record-breaking volume utilization efficiency of 72% and an energy density of up to 255 Wh/kg, it achieves the highest integration level worldwide so far, capable of delivering a range of over 1,000 km in a breeze. This has been a great boost to high-end development of the electric vehicle industry, with advanced performance and green benefits. In October 2022, CATL's Qilin battery has been recognized by *TIME* as one of the best inventions of 2022.

The Outdoor Liquid-cooling Battery Cabinet EnerOne



CATL launched the outdoor liquid-cooling cabinet EnerOne in 2020 based on long-life cell technology and the liquid-cooling CTP cabinet, both of which were 100% developed in-house. This product adopts the 280 Ah lithium iron phosphate cell, an integrated variable frequency conversion liquid-cooling system, and a protection system of protection level IP 66, which features high charging and discharging efficiency, long service life, high integration, and high level of safety. With a service life of up to 10,000 cycles, it can adapt to a temperature range from -30°C to 55°C, creating new use cases for energy storage.

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

Our Focus 2022: Powering Green Ecosystem Transformation through Ad- vanced Technology

EVOGO Battery Swapping Service

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

The EV battery block, based on CTP and Battery Management System (BMS) technology, features high energy density, high reliability and robust endurance. It can be freely combined to meet different range requirements. The battery swapping station has a small floor space, high capacity, rapid circulation, and all-weather operating capability. Through the efficient, flexible, and safe use of new energy, and bolstered by "separation of vehicle and electricity," the accessibility of electric vehicles will see further expansion. During the reporting period, EVOGO's battery swapping service has been implemented in Xiamen, Hefei, Guiyang, and other cities.



During the reporting period, in accordance with ISO 14025:2006, the Company reported the life-cycle environmental data of 280Ah lithium iron phosphate cell products, and successfully obtained the Environmental Product Declaration (EPD) which meets the classification of EPDItaly007 and EN 50693:2019 through the platform EPD Italy. As the first product in the global EV battery industry to obtain EPD, this cell can minimize the climate and environmental impact over its entire lifecycle, through green production, green design, and green supply chain construction. It will contribute to the sustainability of energy storage products and services.



Creating a Green Industry Ecosystem

Product Life Cycle Assessment

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



- **Model building:** According to ISO 14044, ISO 14067, the EU's Product Environmental Footprint Category Rules (PEFCRs), and other standards, CATL independently constructed an analytical model for analyzing carbon footprint of products, covering GHG emissions at the raw material production, transportation, product use, and recycling stages.
- **Product evaluation:** During the reporting period, the Life Cycle Assessment (LCA) for over 50 products has been completed.

Multi-Path Carbon Reduction throughout the Value Chain

CATL actively promotes the implementation of solutions such as green raw materials, logistics electrification, and EV battery directional recycling at different levels of the value chain, thus advancing comprehensive electrification.



- **Green raw materials:** Includes key decarbonization issues such as responding to climate change, energy management, discharge, emission and waste control, and management of recycled materials into the first phase of the "CREDIT" transparency audit program on sustainable value chain.
- **Green logistics:** All suppliers' newly purchased vehicles are required to meet the China's stage 6 vehicle emission standards. The first line for electric heavy-duty trucks was commissioned in China to support suppliers using electric heavy-duty trucks. CATL also set emissions reduction requirements for various types of vessels on international routes.
- **Green recycling:** Through the EV battery one-stop recycling and targeted recycling carried out by Guangdong Brump, a subsidiary of CATL, the total recycling efficiency of nickel, cobalt and manganese climbed to over 99.3%. CATL collaborated with a local partner in Europe to promote the localization of cathode materials and EV battery recycling business in Europe.

Working Together to Build a Low-Carbon Industry Chain

By continuously strengthening cooperation and bringing more partners into the green ecosystem, CATL has further activated the overall competitive advantage of the new energy industry in green power, and built a new model for sustainable development across the industry chain.



- **Standards Development:** Within China, CATL has joined the "Working Group of Battery Carbon Accounting Standards" of the China Industrial Association of Power Sources. It participated in developing standards such as the Assessment Requirements for Green Factory in Lithium-Ion Traction Battery Manufacturing Industry (T/CESA 1080-2020). Internationally, CATL was elected to the new Board of Directors of the Global Battery Alliance (GBA), and became a member of Supervision Committee of the Alliance. It is an active participant in formulating global rules concerning carbon footprints, ESG, battery passports, and other matters.
- **Research Cooperation:** CATL worked with the Ministry of Ecology and Environment to complete the preliminary research and data accounting for the Battery Recycling Carbon Footprint Research Project. The Company also worked with Tsinghua University to investigate the carbon footprint of EV battery raw-material products, and the comparative research on carbon footprint assessment methods.
- **Training & Empowerment:** During the reporting period, 25 training courses related to carbon footprint were provided to employees from upstream segments. These covered energy management, accounting for enterprise-wide GHG emissions, product carbon footprint, etc.

Green R&D and Innovation

The Concept of Green R&D

CATL is a global leader of new energy innovative technologies. From the beginning phase of the Company's research and development, it has focused on evaluating environmental benefits during the research and development phase, and has provided leadership in green manufacturing with its R&D innovation.

In the research phase of new technologies and solutions, the Company includes factors such as energy consumption, carbon emissions, and material recovery performance into the process, in order to reduce its possible environmental impact. It also carries on perspective LCA for new technologies to integrate the performance cost and environmental impact of the technology. The Company also conducts predictive analysis with such metrics as product carbon footprint, water pollution impact, soil pollution impact and biological toxicity impact, to achieve comprehensive green and low-carbon production while ensuring product compliance.

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

R&D Innovation Layout

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

Innovation Dimension	Contents	Achievements in 2022
Innovation in Material and Electrochemistry System	The Company understands the endogenous properties of materials and their interface properties through R&D at the atomic scale. It builds materials with stronger performance, and brings out the original innovation latent in the battery's material.	The energy density and low-temperature discharge ability of phosphate-related systems were continuously improved with the application of the Multi-metal Phosphate Lithium Battery. An industry chain for sodium-ion EV batteries was put into construction, further improving energy density and comprehensive performance, with a commitment to commercialize such batteries.
Structure System Innovation	The Company lowers energy consumption and cost of the system, and enhance efficiency by improving integration, etc.	The CTP 3.0 battery Qilin was launched, which achieves the highest integration level worldwide so far, capable of delivering a range of over 1,000 km in a breeze.
Extreme Manufacturing Innovation	Introduced intelligent manufacturing technology on a large scale, and built an ecosystem for industrialization and digital transformation, with in-depth interaction of multiple platforms and systems.	The World Economic Forum selected CATL-SC's Yibin production base as a "lighthouse," which became the Company's second lighthouse. By the end of the reporting period, CATL-SC boasted the only two lighthouses in the global lithium-ion battery industry.
Business Model Innovation	From raw materials, EV battery manufacturing, operational services, to materials recycling, an ecosystem has been created for EV battery production.	The EVOGO battery swapping services was launched in Xiamen, Hefei, Guiyang, and other cities, to solve the anxiety from refueling of electric vehicles with its innovative modular battery swapping solution.

With an experienced R&D team and extensive and in-depth external cooperation, the Company has established a multi-departmental, internal-and-external-collaborative R&D model. Five innovation R&D centers were established in Ningde (Fujian), Liyang (Jiangsu), Shanghai, Xiamen (Fujian) and Germany, creating a standardized, efficient, and sustainable R&D system.

The Company maintains a high level of investment in R&D, and continues to create research platforms that enhance its R&D capability. During the reporting period, the Company invested CNY 1,551,045.35 million in R&D, accounting for 4.72% of its operating revenue. By the end of the reporting period, the Company had built several national- and provincial-level research platforms.



CATL is focused on developing its R&D team, and is committed to building a high-level talent education system. As of the end of the reporting period, the Company had in place a professional R&D team of 16,322 people, including 2,852 members with master's degrees and 264 PhDs.

CATL actively cooperates with domestic and overseas universities and research institutes in terms of talent and R&D to further strengthen its innovation capability. We have created R&D innovation platforms for academical research, including the CATL X Future Energy (Shanghai) Research Institute; the CATL-XM Research Institute; the CATL-Shanghai Jiao Tong University Clean Energy Technology Joint Research Center, and the CATL-Institute of Physics of Chinese Academy of Sciences Clean Energy Joint Laboratory. During the reporting period, the Company engaged in personnel training, scientific and technological research, and project application, in collaboration with 68 leading universities and research institutes, among them, Shanghai Jiao Tong University, Beijing Institute of Technology, Harbin Institute of Technology, and the China Academy of Sciences.

In October 2018, CATL obtained approval to establish a national postdoctoral workstation. It has also built in-depth collaborations with well-known universities such as Tsinghua University, Shanghai Jiao Tong University, Zhejiang University and Xiamen University. The Company formulated the Postdoctoral Workstation Management System, adopting the postdoctoral joint-training mechanism of "Workstation for Personnel Management and Research Institute for Academic Guidance." During the reporting period, four postdoctoral researchers passed their first postdoctoral workstation exit examination, and successfully graduated from the program.

CATL organized the First "CATL Cup" New Energy Innovation Competition during the reporting period, officially kicking off at Xiamen University. Forty teams from Tsinghua University, Xiamen University, Huazhong University of Science and Technology, Nankai University and others participated. The entries in the competition included materials calculation and device simulation; advanced battery and material characterization methods; electrochemical energy storage technology; hydrogen energy and fuel cells; solar energy technology, and other fields.

The competition has helped CATL further promote university-level research in new energy innovation, laying the foundation for training new talent, and technological innovation in the new energy industry.



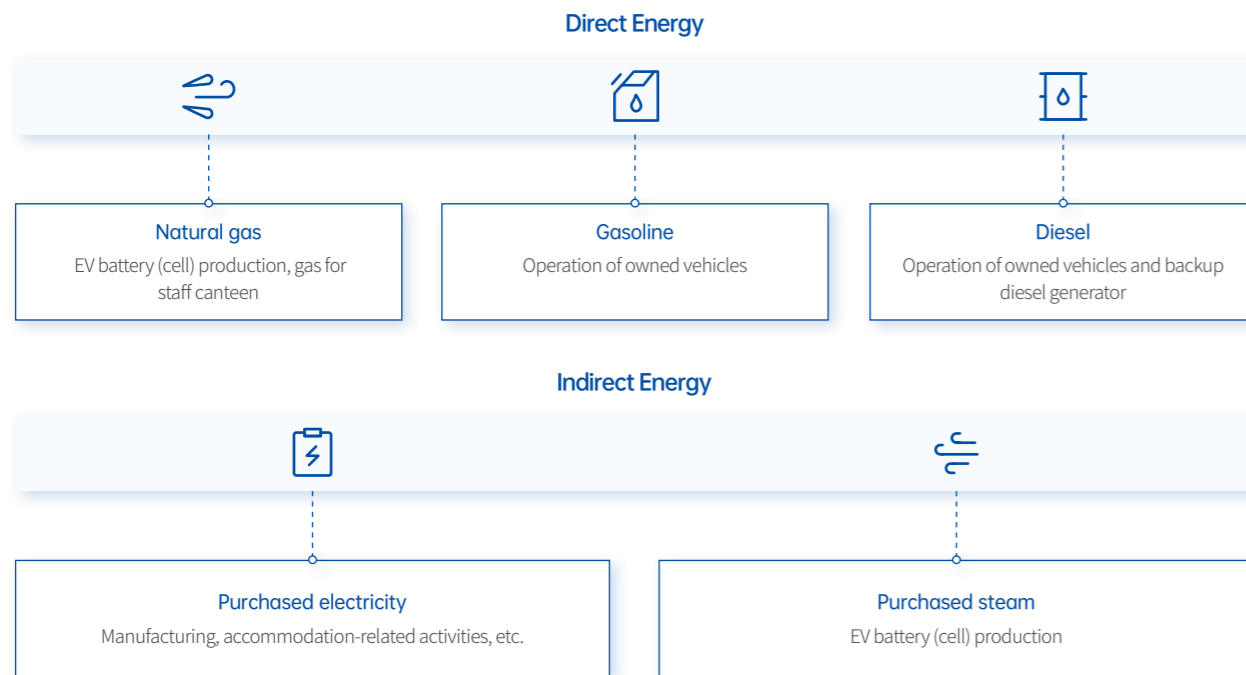
Green Production

Low Carbon Production

Energy Management

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

Main Energy Types and their Usage



CATL builds and improves energy management systems in accordance with ISO 50001 and other standards, and formulates several management systems and procedures. These include the Management Procedures for Energy Laws, Regulations & Other Requirements; Management Procedures for Target Indicators of Energy Performance Parameters; Control Procedures for Energy Monitoring, Measurement and Analysis; Management Control Procedures for Energy Procurement; and Energy Review Procedures. By the end of the reporting period, 100% of the energy management systems of the EV battery production segments which are operating stably and have certification status, e.g. CATL* and CATL-SC, have been audited to meet the requirements of ISO 50001:2018 and have obtained the corresponding certifications.

During the reporting period, CATL established the Energy Measurement Management System, and updated the specifications for energy measuring instruments, and the requirements for statistical analysis and control of metering. This provides a firmer basis for energy measurement, and enables more robust statistical analyses, as well as assessments for energy savings and consumption reduction. The Company has carried out internal energy measurement audits for the Ningde factory of CATL*, and by the end of the reporting period, the base passed the audit of the Ministry of Industry and Information Technology and the expert group. In the future, we will continue to expand the scope of energy audits.

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

Key Energy-saving Measures in 2022 and Progress Update

Key Projects		Progress of Actions
Optimization of Equipment and Facilities	Formation Standby Management	By managing energy efficiency of standby during the formation process in battery production, a reduction of about 19.8% was achieved in the consumption by the product units in such process. This has eliminated approximately 900 tonnes of CO ₂ -equivalent emissions per year from a single base.
	Standby Optimization of Coater	A consumption reduction of 8% was realized in the coating system by optimizing the standby process. This has eliminated approximately 1,100 tonnes of CO ₂ -equivalent emissions per year from a single base.
	Boiler System Efficiency Improvement	The boiler system was retrofitted with an Activation Resonance Fuel Energy Saving Appliance (ARF) device to increase the energy efficiency of the equipment by 4% to 6%.
System Support	Construction of Energy Management System	The CATL Facility Management System (CFMS) was constructed and later horizontally deployed to achieve real-time control, early warning, itemized statistics, trend analysis, and prediction of energy consumption in each production process and facility system.
	Life-cycle Management of Power Equipment	Top-level design of the entire equipment lifecycle was carried out, including plant planning, design and construction, business, operations and maintenance modules. A 3% to 5% improvement in the energy efficiency of power equipment is expected.
	Expansion of Energy-Saving Projects	The Factory Information System (FIS) platform has enabled CATL to horizontally deploy energy saving projects for each of the Company's production bases, with 48 projects have been launched.

CATL further achieved emission reductions through renewable energy transition. During the reporting period, the Company's annual distributed photovoltaic power generation totalled 58,435.92 MWh, equivalent to eliminating 47,677.87 tonnes of carbon-dioxide-equivalent emissions¹. Renewable electricity usage for the Company reached 26.60%², having increased by 4.60% compared with 2021. By the end of the reporting period, CATL-SC and CATT have achieved 100% renewable electricity in operation.

Moreover, CATL focuses on human-centric low-carbon operation, adhering to the energy policy of "full support, high efficiency and low consumption, law-abiding and green factories." It is laying a foundation for sustainable production by enhancing energy savings, and improving employee skills and awareness of energy conservation and a low-carbon lifestyle.

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

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

² Includes distributed PV power capacity, wind/solar/hydro power purchased from local governments, and the wind/solar/hydro power capacity corresponding to the International Renewable Energy Certificate (I-Rec) and the Guarantees of Origins (GO) purchased.

Carbon Emission Accounting

According to the relevant requirements of GHG Protocol and ISO 14064-1:2018, CATL conducts regular GHG accounting for all wholly-owned subsidiaries, and entrusts a third party to conduct independent verification of production bases with substantial GHG emission impact, so as to consolidate the statistical foundations of energy saving and carbon reduction.

CATL has started to calculate the GHG emissions in 2022 in order to analyze the reasons for the upward trend of total emissions, based

on changes in energy consumption and energy use structure. In addition, we completed the verification of GHG emissions in 2021. The approved emission performance and verification certificate can be found in the [CATL 2021 Carbon Accounting Report](#). The Company will regularly report other information on emission performance, accounting methodology, third-party verification statement and the progress of carbon reduction measures.

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

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

Three Key Pathways to "Zero-Carbon Factories" for Sustainable Carbon Neutrality

Green Energy

Comprehensive low-carbon energy transition

- Achieve a 100% hydroelectric power supply.
- Achieve carbon neutrality of natural gas use¹ through the low-carbon supply chain.

Smart energy management system

- Fully introduce CFMS to achieve data interconnection, and safe and efficient operation of the facility system.
- Achieve automated optimization and active control based on big data and other technologies with an annual energy saving rate of 8%, equivalent to eliminating approximately 19,792 tCO₂e every year.

¹ "Zero-Carbon natural gas" here refers to natural gas that has been certificated as carbon-neutral.

Green Transportation

Electric logistics

- Use driverless logistics vehicles, electric forklifts and automated guided vehicles (AGVs) to achieve comprehensive electrification of internal logistics.
- Implement electric logistics solutions covering all segments of supplier factories, raw material warehouses, processing factories, finished product warehouses, and customer factories.

Green transportation

- Promote shared mobility, and electric mobility, and encourage employees to use EVs.
- Provide employees with electric buses and encourage them to use shared bicycles.

Green Manufacturing

Digital production management

- Achieve global visual management through a digital production central-control management system. Apply real-time online monitoring and early warning to minimize process losses.
- Implement quantitative control of equipment operations and energy-saving scheduling through the Manufacturing Execution System (MES). It is estimated that 15,020 tCO₂e emissions will be eliminated every year accordingly.

Production-side energy-saving retrofitting

- Install a steam condensate recovery system to reduce the fresh water supply of some boilers. Condensate recovery efficiency reaches 80%, and it is estimated that 16,284 tCO₂e emissions will be eliminated every year.
- Implement the energy-saving coating machine overhaul. It is estimated that 23,337 tCO₂e emissions will be eliminated every year.

Closed-loop waste recycling

- All manufacturing process waste is put into recovery to reduce carbon emissions at its end-of-life disposal.

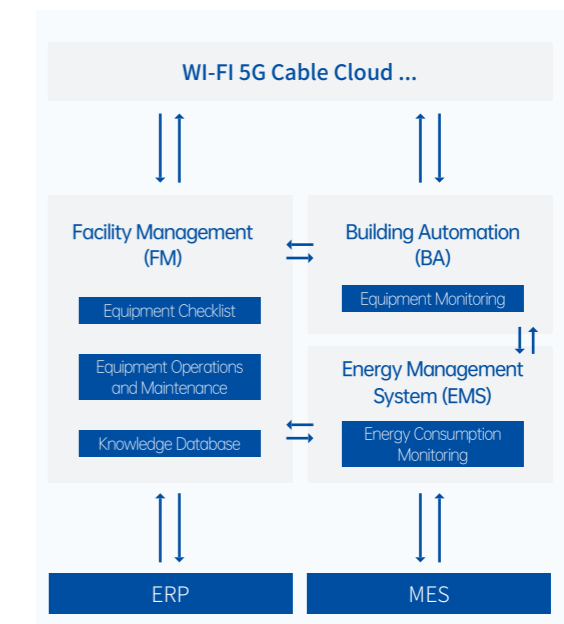
CFMS Intelligent Management System

The CFMS intelligent management system independently developed by CATL consists of three system modules: Building Automation (BA), Energy Management System (EMS), and Facility Management (FM). Safe, efficient, and green operation of factories is made possible through automated acquisition and analysis of operation data from facility system and equipment, and the entire life-cycle management of facilities.

The BA system provides for system operation monitoring, remote optimization operations, and automatic optimization. The EMS system enables the control, early warning and trend analyses of total energy consumption, consumption by various units, and system energy efficiency, through real-time data monitoring. The FM system focuses on digital management and operation skill management of facilities. With these three systems synergized and integrated, CFMS can achieve closed-loop management of all facility-related processes.

By the end of the reporting period, CFMS was fully implemented in CATL-SC. Through horizontal deployment and operation of the system at another 12 production bases, CATL is committed to entering a new stage of fully zero-carbon manufacturing.

Diagram of CFMS at CATL-SC



In November 2022, CATL-SC's "World's First Zero-Carbon Battery Factory" was selected as one of the "2022 Corporate Climate Action Case Studies," and was released and presented at the 27th Conference of the Parties to the UNFCCC (COP27). Seizing this opportunity, the Eastern Industrial Park of Sanjiang New District in Yibin, where CATL-SC is located, is building a net-zero park and putting in place green and low-carbon advantageous industry clusters. In January 2023, CATL-SC-led practices related to industrial clusters in Sanjiang New District were successfully selected for the "Transitioning Industrial Clusters towards Net Zero" report released by the World Economic Forum (WEF) during its Annual Meeting 2023.

In addition, we promote our valuable experience of intelligent, green, and low-carbon development among our production bases worldwide and those of upstream partners, and is committed to building factories with zero-carbon supply chains and a sustainable ecosystem, making more contributions to the global response to climate change.

Intelligent Manufacturing

To support the fast-growing demand for EV battery products in front-end industrial markets, CATL continues to make comprehensive use of automation, digitalization and intelligent technologies to build a powerful manufacturing system and produce high-quality and safe products for users. The Company consistently invests in its manufacturing and process systems, improving production efficiency across the entire industry chain. It does so by bringing in various kinds of advanced and highly automated production and logistics equipment into the pre-process, winding, assembly and testing sections, as well as the production line logistics system of EV battery production. At the same time, it has been introducing advanced testing technologies and intelligent equipment to ensure the delivery of quality products.

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

Contribute to R&D through Intelligent Manufacturing



Product Consistency Improvement

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



Whole-Process Proprietary Software and Algorithm

- Deployed whole-process proprietary software and algorithms to improve detection efficiency and ensure product quality.



Machine Visual Inspection

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



Predictive Equipment Maintenance

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



Knowledge Management

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

Case: The "Lighthouse" Leads the Way to High-quality Development

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

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

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

CATL is replicating the agile and flexible intelligent manufacturing experience, and promoting it in various production bases around the world to further build the world's top "Sustainability Lighthouses."

Four Core Technologies Contribute to the Construction of the "Lighthouse"



Global Equipment Monitoring

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

Unmanned Intelligent Inspection

Replaced manual inspection by bionic visual inspection to improve efficiency.

5G Smart Coating

The proprietary automatic adjustment system for coating weight consistency has achieved precise control of micron and milligram foil-coating, and accurate feeding of equipment.



High Automation PACK Production Line

Enhanced design automation with simulation and virtual debugging technology. Through the hot-melt self-tapping screwing process and industrial robots, etc, a 70% reduction in the workforce has been achieved, with a significant increase in man-hour efficiency.

Virtual Equipment Debugging

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



Three Breakthroughs in Defect Detection

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



Automated Identification of Violation

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

Scenario-based Safety Protection

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

Product Quality and Customer Service Management

Product Quality

Quality Management System

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

During the reporting period, our production bases with stable operation and certification qualification all passed the certification in accordance with IATF 16949: 2016 Automobile Quality Management System Standard or ISO 9001: 2015 Quality Management System, and continue to maintain the effective operations of such quality system. CATL boasts a testing and verification center certified by China National Accreditation Service for Conformity Assessment (CNAS), which provides strong technical support for the R&D of new technologies and the monitoring and verification of in-process products.

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

Life-Cycle Quality Management System



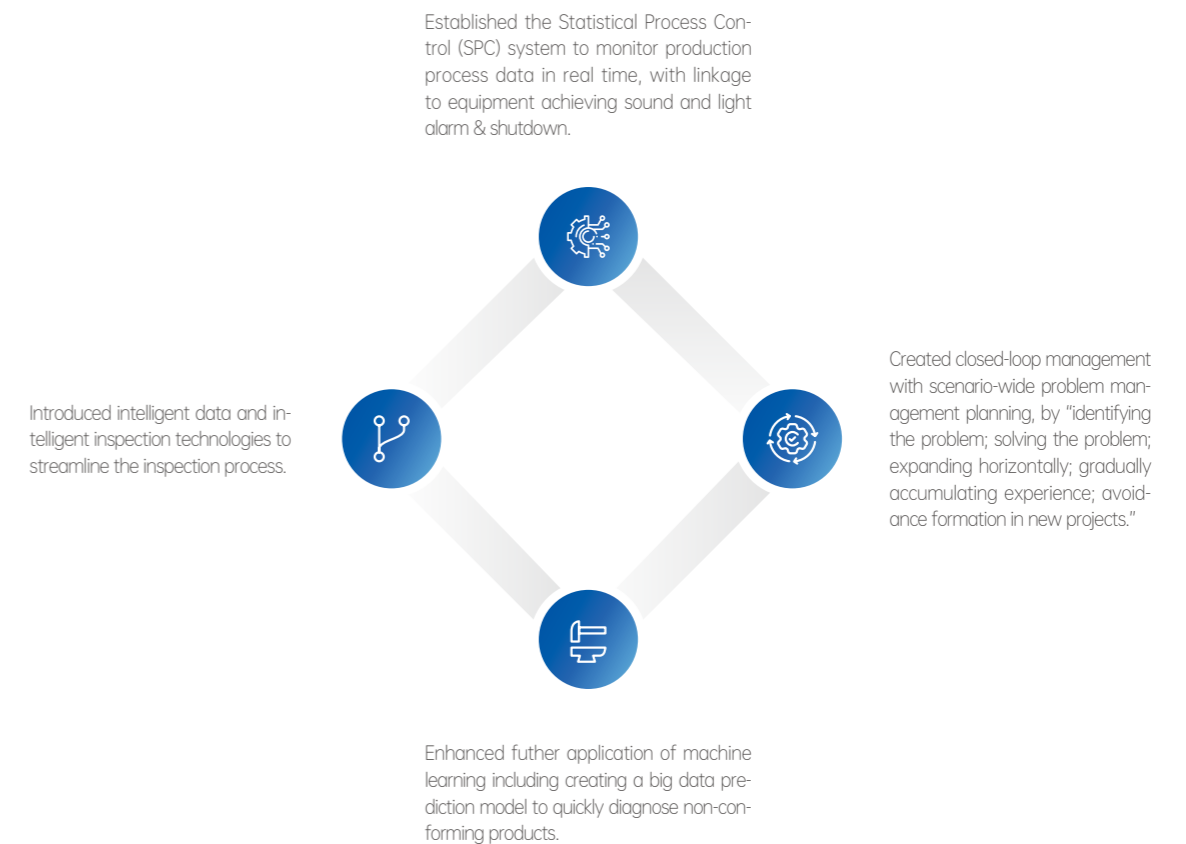
- Project Quality Management**
 - CATL's project quality management is based on the Integrated Product Development (IPD) process, including scientific methods such as V-model, demand scenario structuring, Quality Function Deployment (QFD), Failure Mode and Effects Analysis (FMEA), and Advanced Product Quality Planning (APQP), among others. CATL is the first in the industry to build a comprehensive requirement attribute structure model, identify product design and production risks in advance through requirement modeling, and set five quality threshold points with 1,588 evaluation metrics to ensure project quality.
- Supplier Quality Management**
 - Achieve win-win in quality with suppliers through supplier access audit and screening, fixed-point selection, APQP quality planning and Production Part Approval Process (PPAP), quality performance assessment, ability training and enhancement, and attractive incentives for suppliers. During the reporting period, the Company conducted quality training for 161 key suppliers.
 - All raw material suppliers are required to sign the Guarantee on No Use of Prohibited Substances to ensure that the delivered finished products meet the requirements of the EU's Directive on End-of-Life Vehicles (ELV); Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH); and customers' demands.
- Process Quality Management**
 - Fully identify the key processes and elements of process management from the aspects of human, machine, material, method, environment, and measurement, to ensure the consistency of product quality.
- Customer Quality Management**
 - Establish an efficient customer response mechanism and a professional Failure Analysis (FA) team to make continuous efforts to improving customer satisfaction.



- Quality System Management**
 - Place high value on the use of quality assessment tools. Quality assessment indices are allocated to each department to enhance the quality awareness of all staff.
 - Continuously improve the quality management system through annual internal audits, external audits, and management reviews, to ensure the adequacy and effectiveness of the system operation.
- Quality Training and Motivation**
 - Company-level, department-level, and team-level quality training systems have been established. Carry out 200 general quality skills and professional courses for all employees both online and offline, centering on 8 Disciplines (8D) problem solutions, seven tools of quality control, Six Sigma, etc, and ensure that the coverage rate of staff quality training is 100%.
 - Enhance the effectiveness of training with assessment, and each person participates in at least one quality knowledge training.
 - Formulated the Incentive Scheme for Quality Control Lecturer and Students to provide rewards for outstanding employees in training courses.

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

Digital Quality Management Measures



- Introduced intelligent data and intelligent inspection technologies to streamline the inspection process.
- Established the Statistical Process Control (SPC) system to monitor production process data in real time, with linkage to equipment achieving sound and light alarm & shutdown.
- Created closed-loop management with scenario-wide problem management planning, by "identifying the problem; solving the problem; expanding horizontally; gradually accumulating experience; avoidance formation in new projects."
- Enhanced further application of machine learning including creating a big data prediction model to quickly diagnose non-conforming products.

Product Safety and Reliability Management

Product safety and reliability are the most important attributes of quality, while the core of good quality is high reliability. Since 2006, CATL has been building product reliability and gradually expanding the reliability team. Through mechanism simulation, FA, development of new test methods and standardization of test methods, the Company develops and continues to optimize methods and models of reliability analysis. We carry out product reliability risk management and data management over the entire process of technical elements, product development and mass production, and ensure the safety and reliability of products throughout the entire product lifecycle. We carry out product reliability risk management and data management over the entire process of technical elements, product development and mass production, and ensure the safety and reliability of products throughout the entire product lifecycle.

In addition, CATL has focused on constructing a product safety and reliability system, standardizing product safety and reliability in all aspects of the product life cycle. We established company-level safety and reliability test procedures, and evaluation standards for EV battery cells, modules and packs. We expect to support the formulation of industry standards whilst setting enterprise-wide standards.



Product Safety and Reliability Management Actions in 2022



Risk Prevention and Control

- Continue to control the safety and reliability risks of products, covering the main product lines including domestic passenger cars, overseas passenger cars, commercial vehicles and ESS, and ensures high-quality delivery of products.
- Check and identify the risk input of all new technologies, new chemical systems, new product platforms, new components, and new product types; and formulate corresponding solutions.



Tool Optimization

- Develop and optimize safety and reliability simulation tools to guide product design and manufacturing processes.
- Develop and optimize product reliability models, identifying product reliability risks in advance, and providing strong support for design end and sales team.
- Develop and optimize detection methods related to product safety and reliability across the entire lifecycle, identifying key problems, supporting the effective detection of characteristic indicators of incoming materials and process stages, and promoting the quantitative identification of reliability risks.



Team Building

- Form a small team to focus on key and difficult problems based on mechanisms, simulations, models, and methods, and improve the comprehensive professional abilities of team members.
- Strengthen the product FA team, and link the market side with the internal engineering team to provide support for product application strategy optimization and internal product risk identification.
- Establish BMS safety and reliability team



Digitization

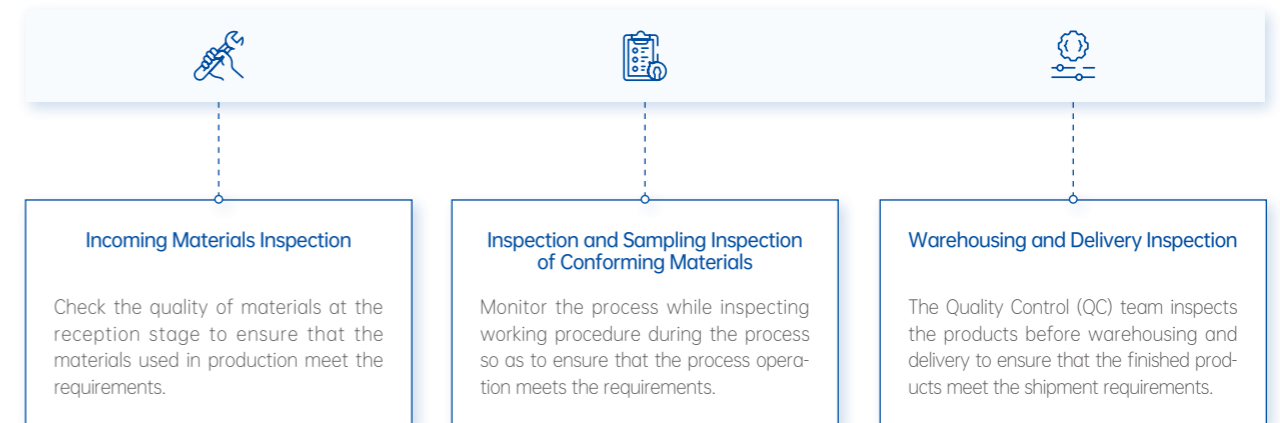
- Build a reliability data center, open up the data chain of the entire product lifecycle, and acquire ability to rapidly identify a reliability risk and pinpoint its cause.

In order to further enhance the safety and reliability awareness among all employees, during the reporting period, CATL orchestrated "Product Reliability by Ourselves" Reliability Culture Month campaign with targeted placement of product safety and reliability publicity materials, that elaborated on the discipline of reliability and how it developed, with typical cases, classical calculation formulas, etc. The Company also hosted publicity events to further reach employees through on-site signatures and online sharing.

Product Inspection and Management of Non-Conforming Products

CATL has put in place a lineup of comprehensive product inspection abilities, and carries out preventive inspection for possible product quality problems in each link to ensure product quality. For the newly emerging or potential quality problems, CATL gives priority to preventive testing such as error prevention and equipment automation.

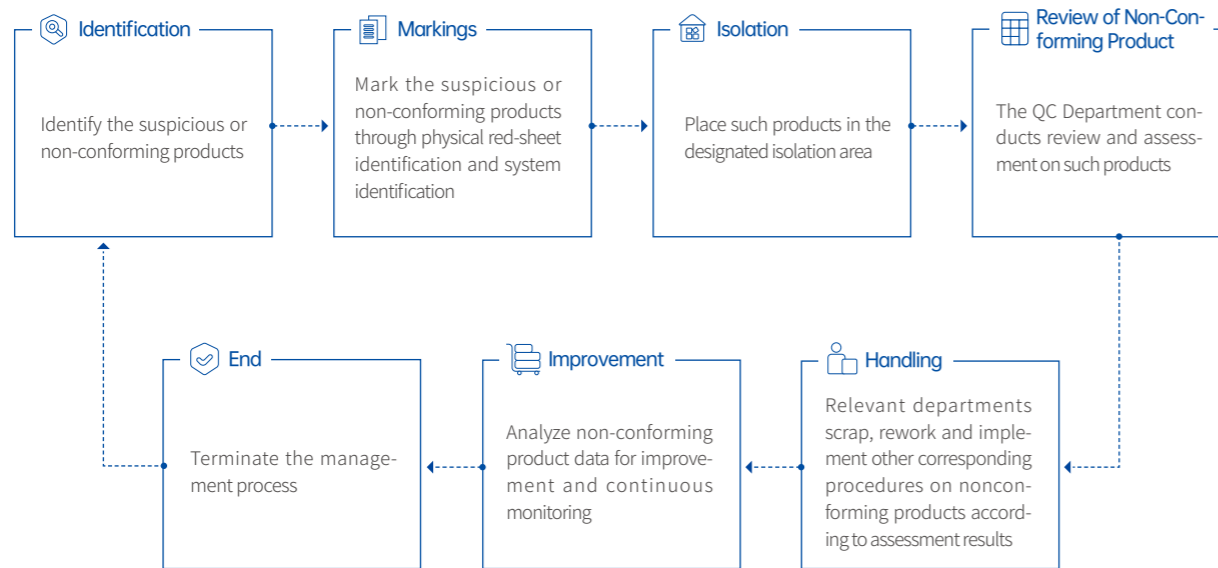
Key links in Material and Product Inspection



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



▲ Closed Loop Management of Non-Conforming Products



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

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

Quality Culture with Full Participation

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

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

CATL provides "Excellence in Quality" training courses to employees, sets core skills and course objectives according to position and rank, and links the completion of key courses with personnel promotion. During the reporting period, CATL rolled out 13 quality management certification courses, covering process quality management, project quality management, quality tools and other aspects, and organized more than 20 lectures, with attendance of more than 1,200.

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

Through quality management activities such as Quality Month and Quality Control Circle (QCC), CATL encourages all employees to actively participate in quality management and enhances their quality awareness. During the Quality Month, the Company carried out a series of quality management promotion activities, including training and supporting resources covering the key points of quality assurance, offline outreach activities, videos on the topic with room for employee comments, exercises with quality knowledge cards, and assessment, among others. The employees who participated in Quality Month were enthusiastic, with an 10,000 hours spent cumulatively by employees in offline activities, an attendance of over 9,800 at the study and assessment of quality knowledge cards, and an attendance of over 200 at the training courses on quality. Employees added 112 comments judged worthwhile by management to the videos on quality. Focusing the QCC on the theme of "Improving Little by Little, Gathering Infinite Value," the Company seeks quality improvement suggestions from all employees, organizes the implementation of such suggestions, and commends outstanding teams through regular review.

Customer Service

■ Customer Relationship Management

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

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

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

In terms of after-sales service, CATL has formulated systematic customer after-sales service management documents such as the Quality Complaint Handling Process, Customer Negative Feedback and Complaint Handling, and After-sales 400 Customer Return Visit Specification, and established a customer complaint quality management system. We have emphasized that a dedicated person is assigned to each customer complaint incident, and standardized the requirements including the efficiency of response to customer requests. CATL was awarded the five-star National After-Sales Service Certification in 2017, and the seven-star (Excellence) certificate of CTEAS1001-2017 in 2019, both of which remain valid. During the reporting period, the Company further obtained the twelve-star certification of CTEAS1001-2017.

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

CATL established a timely and effective customer complaint handling mechanism. Customers can submit their complaints or questions through the 24-hour service hotline 400-918-0889. The hotline supervisor will judge the seriousness and nature of the complaint, and direct it to the appropriate group for handling. Depending on the customer's maintenance request, the Company will handle general faults within 8 hours, and troubleshoot difficult faults within 72 hours. After the complaint or problem has been handled, CATL will report to and communicate with the customer, and then close the file. During the reporting period, the Company has achieved a 100% complaint closure rate.

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

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



Responsible Marketing

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

CATL conducts responsible marketing, customer communication, and anti-corruption training for all sales staff regularly. All staff from the marketing department are required to participate in a series of "Must-Know and Must-Do" training and assessment every quarter, including laws and regulations, business knowledge, business etiquette and marketing system.



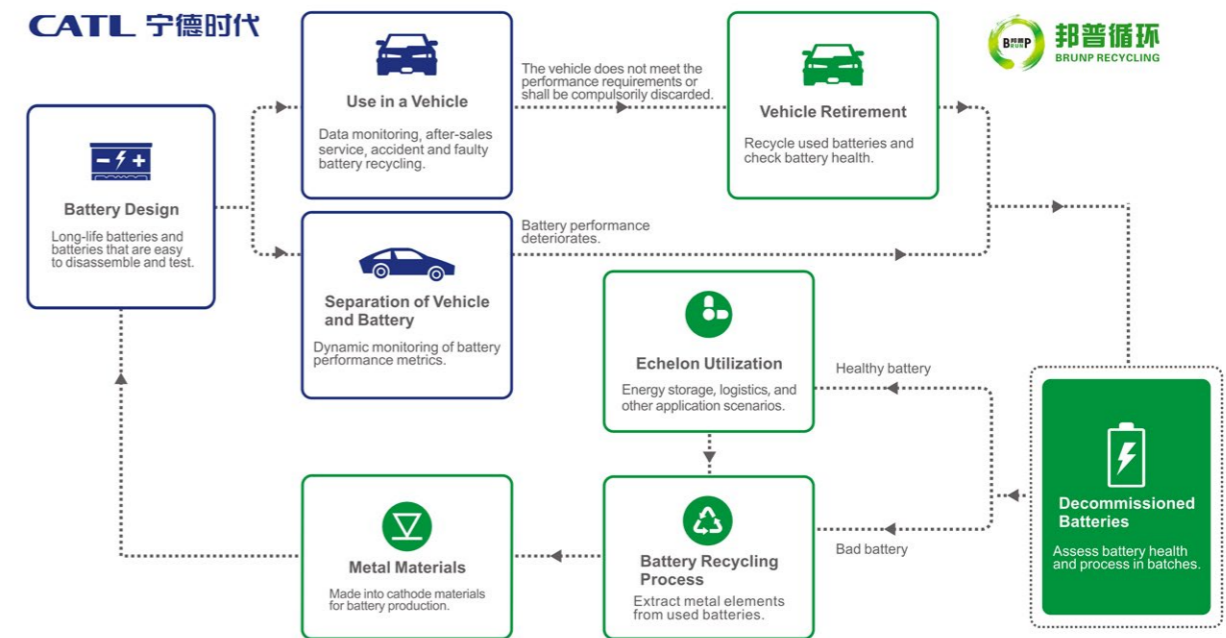
Battery Recycling

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

Guangdong Brunp, a subsidiary of CATL, is an important part of the Company's EV battery industry ecosystem. It has built a recycling system of the entire battery industry chain, with complementary upstream and downstream advantages. By establishing a systematic recycling system and utilizing advanced recycling technology, it extracts reusable resources such as metals, nonmetals and other polymer materials from the battery carrier. At the same time, it applies these high-end products to the primary manufacturing field, with the original "reverse product positioning design" and "directional recycling" technologies for EV batteries, thus promoting the sustainable development of the new energy vehicle industry. Guangdong Brunp has taken the lead in solving the industry-wide problem of "Waste Reduction" in the field of recycling used batteries worldwide through the original directional recycling technology. The total recovery rate of metals such as nickel, cobalt and manganese has topped 99.3%.

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

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



05

Environmental Protection: Clean and Transparent Production System

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



Environmental management system

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

Resource management

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

Emission and waste management

- Emission concentrations of pollutants in major entities under environmental regulation are below **75%** of the relevant standard limits (including COD, NH₃-N, NO_x, and SO₂).
- The recycling rate of general industrial solid waste reached **99.87%**



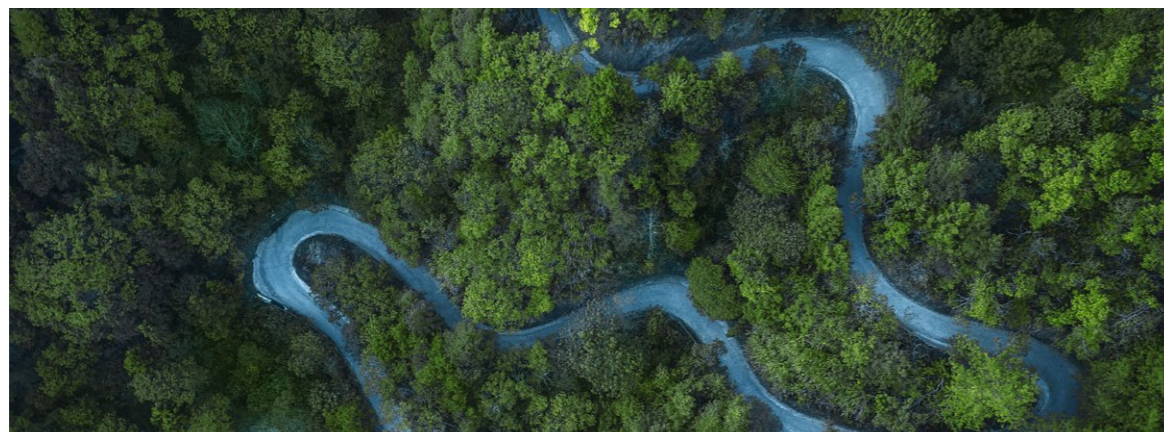
Our Focus 2022: Enabling New Potential with Multi-faceted Environmental Management

CATL adheres to the concept of green development throughout the entire process of production and daily operation, and has made new accomplishments successively in environmental management. During the reporting period, the Company has taken the initiative to improve its environmental management capabilities and reduce its environmental footprint from a multi-faceted perspective. It did so based on its commitment to environmental compliance and strict environmental process control, combined with a circular packaging and digital management system.

Recyclable Packaging Supports Resource Regeneration

Packaging material is an important means by which CATL supports recycling. CATL gives priority to packaging made of recyclable materials or regenerable materials.¹ During the reporting period, CATL increased the use of metal and High Density Polyethylene (HDPE) in the packaging of battery packs and in the packaging module, as such packaging can be recycled for 3 to 7 years. These materials have been used in approximately 200,000 battery pack turnover boxes and 180,000 module turnover boxes, satisfying the annual packaging requirements for relevant products.

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



¹ "Recyclable materials" refer to the materials that can be reprocessed to produce new materials after becoming waste; and "regenerable materials" refer to the materials that can be collected, reused or recycled in other process after its service life.

Digitalization Improves the Efficiency of Environmental Management

CATL is actively building a digital environmental management platform to empower the environmental management system and streamline management actions through digital technology. During the reporting period, the Company launched the Environment, Health & Safety (EHS) information management system, which integrates the modules of environmental accident management, environmental hidden danger investigation, radioactive source and radiation device management, and accompanied by an environmental protection database. By the end of the reporting period, the system has been implemented at 14 subsidiaries, helping create standard categories of environmental protection data, enhancing streamlining data analysis and processing as well as timeliness of task completion.



Environmental Management System

System Construction

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

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

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

Environmental Audit

In strict accordance with the Law of the People's Republic of China on Environmental Impact Assessment and other laws and regulations, CATL has completed the environmental impact assessment of construction projects during the reporting period, and carried out environmental risk assessment of the workplace.

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

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

Environmental Emergency Response and Awareness Raising

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

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

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

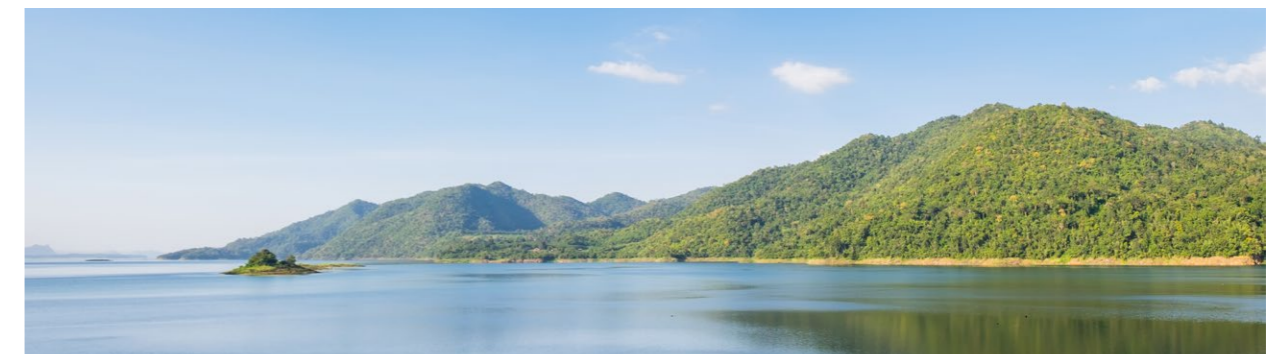
In addition, CATL is actively involved in building environmental awareness throughout the local community. CATL participated in the publicity campaigns organized by local ecology and environment agencies, as well as in fundraising for "green libraries" and organizations involved in enhancing pandemic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

Resource Management

Water Stewardship

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

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



2022 Key Water Conservation Measures

Water Conservation Measures	Benefits
Recycling deionized (DI) concentrate water and electro-deionized (EDI) water	The water consumption for cooling tower make-up reduced by 30-40 tonnes per day per production base
EDI concentrate water pipe diversion	Average daily water savings of 110 tonnes per production base
Installation of steam boiler flash steam recovery unit	Average daily water savings of 24 tonnes per production base
Retrofitting of cooling tower air duct of the frozen water system	Cooling water evaporation loss reduced, with drifting water rate decreased from 0.005% to 0.001%
Installation of time-control card device for hot water in dormitory	Hot water consumption reduced by 10% after the introduction of the device

Raw Material Management

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

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

Packaging Material Management

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

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

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

CATL is actively involved in the research and standard setting of packaging materials for EV battery products. During the reporting period, CATL cooperated with the *Bundesanstalt für Materialforschung und -Prüfung (BAM)*, to conduct in-depth studies of the packaging of extremely hazardous batteries, and successfully developed the first explosion-proof case in China for the relevant batteries. The Company also joined the formulation of the test requirements and passing standard on air packaging for specific batteries, and realized the first "multi-batch air transportation of multiple models of lithium-ion batteries over 35kg" case worldwide.



Management of Pollutant Discharge and Environmental Impact

Management of Discharge, Emission and Waste

CATL has implemented environmental management and strict control, treatment, and/or disposal of pollutants and waste, to improve the local environment. It does so in strict accordance with the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other laws and regulations, as well as national and industrial standards such as the Emission Standard of Pollutants for Battery Industry (GB 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 18597-2001) and the laws, regulations and standards in the locations of operations.

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

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

During the reporting period, CATL implemented measures involving the installation of new equipment and optimization of the process, to reduce the discharge or emission of different types of pollutants and solid wastes. The the Company upgraded the facilities for control of organic waste gas, introduced the Regenerative Thermal Oxidizer (RTO), and Thermal Oxidizer (TO) process into ten facilities including CATL* to properly dispose of electrolyte exhaust gas, and has reduced the emissions of Volatile Organic Compounds (VOCs) by over 5%. Moreover, ten facilities, including CATL*, CFBC, CATL-FD and CATL-JC, have installed low-nitrogen boilers, and decreased the extreme NO_x emission of the boiler to below 50 mg/m³. CATL has also made improvements to control the fugitive emission of special gases such as fluoride, and has set up a low-pressure alarm device against the release of SF₆ from all high-voltage switchgears at each production base, for early detection, capture and treatment of fugitive gas.

For the non-hazardous industrial solid waste, CATL has further developed and optimized production equipment, improved the utilization rate of raw and auxiliary materials to reduce waste generation; and meanwhile entrusted qualified units to enhance comprehensive utilization of recyclable waste.

Management Requirements and Treatment Methods of Discharge, Emission, and Waste

- Waste-water**
 - **Management system:** Procedures for Control and Management of Wastewater Discharge
 - **Discharge category:** Industrial wastewater and domestic sewage
 - **Detection indicators:** Test pH values, chemical oxygen demand (COD), suspended solids (SS), total phosphorous, total nitrogen and ammoniacal nitrogen (NH₃-N) for industrial wastewater values, and, for specific emission sources; test for total nickel, total cobalt, total manganese, etc.; test pH values, COD, SS, total phosphorous, total nitrogen, NH₃-N, etc. for domestic sewage
 - **Pollution control facilities:** Industrial wastewater treatment stations, septic tanks, and canteen wastewater treatment stations
 - **Treatment method:** For industrial wastewater, realize zero wastewater discharge in CATL-JS and UABC, 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). Domestic sewage is directly discharged.
- Exhaust Gas**
 - **Management system:** Procedures for Control and Management of Exhaust Gas Emission
 - **Emission categories:** Boiler discharge gas, dust-laden exhaust gas, N-Methyl pyrrolidone (NMP) exhaust gas, electrolyte exhaust gas, exhaust gas from electrode safe-disposal devices, fume from sewage treatment stations, and canteen oil smoke
 - **Detection indicators:** Particulate Matter (PM), SO₂, NO_x, Non-Methane Hydrocarbon (NMHC), fume concentration, H₂S, NH₃, Ringelmann blackness, oil smoke, etc.
 - **Pollution control facilities:** Efficient prevention and control facilities, activated carbon adsorption device, Regenerative Catalytic Oxidizer (RCO), RTO, TO, canteen oil smoke purification system, etc.
 - **Treatment methods:** After treatment by the facilities, only up-to-standard waste gas will be emitted
- Hazardous waste**
 - **Management system:** Procedures for Control and Management of Solid Waste Pollution and Annual Management Plan for Hazardous Wastes
 - **Generation categories:** Waste electrolyte, waste adhesive container, waste circuit board, waste glue, etc.
 - **Pollution control facilities:** Hazardous waste storage room
 - **Treatment and disposal method:** Entrust qualified disposal units for environmentally sound disposal
- Non-hazardous Industrial Solid Waste**
 - **Management system:** Procedures for Control and Management of Solid Waste Pollution
 - **Generation categories:** NMP waste liquid, waste graphite, waste aluminum foil, waste copper foil, waste pole pieces, waste cells, etc.
 - **Pollution control facilities:** General industrial solid waste storage room
 - **Treatment and disposal method:** Collect waste by category and commission the downstream supplier for compliant disposal or comprehensive utilization, among which NMP waste liquid is remediated and recycled by the downstream supplier; waste aluminum foil and waste copper foil are smelted or reprocessed by the downstream supplier; and waste electrodes are given to the downstream supplier for purification of metals such as nickel, cobalt, and manganese

During the reporting period, CATL*, Guangdong Brunp, Hunan Brunp, LONGYAN SICONG, and CATL-SICONG were listed as the major entities under environmental regulation by local eco-environment management agencies. Their main environmental impacts are listed in the table below.

Main Environmental Impacts of Major Entities under Environmental Regulation

Company and Its Subsidiaries	Main discharge or emission			
	Wastewater Pollutant	Air Pollutant	Hazardous Waste	Non-hazardous Industrial Solid Waste
CATL*	COD, NH ₃ -N	NO _x , SO ₂	Waste electrolyte, waste adhesive container, waste circuit board, waste glue, etc.	NMP waste liquid, waste copper/aluminum foil, waste pole piece, waste cell, etc.
Hunan Brunp	COD, NH ₃ -N, total nickel	NO _x , SO ₂ , PM, NMHC	Zinc copper slag, extraction residue, etc.	Calcium slag, iron-aluminum slag, graphite, etc.
Guangdong Brunp		PM, NMHC	Nickel containing sludge, etc.	Waste steel, waste wood, etc.
LONGYAN SICONG	COD, NH ₃ -N	PM, NMHC	Remediation residue, waste activated carbon from organic waste gas treatment facilities	Biochemical sludge from sewage treatment stations
CATL SICONG		NO _x , SO ₂ , PM, NMHC		Waste plank, waste metal, etc.

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

Appendix 3 gives the annual discharge or emissions and relevant administrative license information for the major entities under environmental regulation in 2022.

Soil and Groundwater Protection

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

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

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

Biodiversity

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

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

During the reporting period, CATL had no production bases or operation sites within or near natural reserves or rich biodiversity regions. No major impact on biodiversity has been found in the Company's production, operations, products or services.

06

Sustainable Supply Chain: Stable and Reliable Partners

CATL, as a global leader in new energy innovative technologies, has been committed to building a globally competitive new energy industry chain ecosystem. The Company works hand in hand with supply chain partners to build an “innovative, collaborative, safe, efficient, and green” supply chain system, and continuously undertakes the quality-driven development of the new energy value chain.

Building a safe and responsible supply chain

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

Empowering supply chain management capabilities

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

"CREDIT" Transparency Audit Program on Sustainable Value Chain

- Establish the first "CREDIT Program" audit system, including **24** secondary evaluation indicators and **135** tertiary evaluation indicators.
- Conduct on-site audit of core raw materials suppliers such as cathode and anode materials.



Our Focus 2022: Enhancing Supply Chain Cooperation and Boosting the Industry's Sustainable Transformation

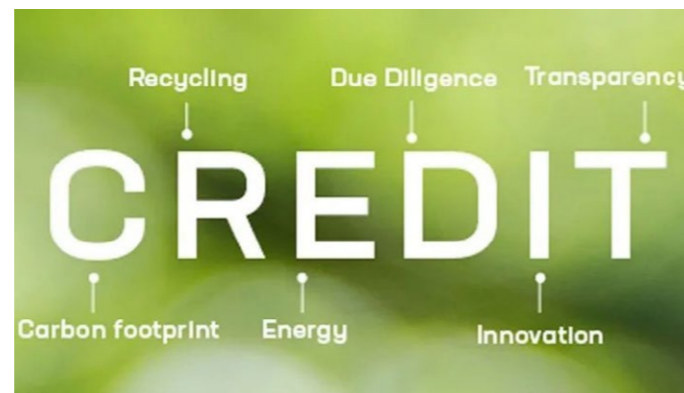
CATL continues to strengthen its supply chain sustainability management capabilities, and drive the reduction of carbon emissions and the sustainable transformation of the industry chain. The Company has established a sound audit system for sustainable development of the supply chain, so as to empower supply chain partners to improve their management level of sustainable development, deepen research cooperation on industrial sustainable development, and fuel the healthy development of the new energy industry.

Empower Suppliers to Improve Sustainable Development

CATL officially launched the "CREDIT" transparency audit program on sustainable value chain (referred to as the "CREDIT" program), the industry's first audit toolkit created by CATL for the lithium-ion battery supply chain.

The first "CREDIT" program includes five modules: a sustainable development management mechanism, business ethics, environmental protection, labor practice and responsible sourcing, including 24 secondary evaluation indicators and 135 tertiary evaluation indicators. These cover the key ESG issues, and are applicable to all direct and indirect suppliers of CATL. Through evaluation and analysis, the Company helps the supply chain partners to strengthen their consciousness of sustainable development and explore the opportunities presented by sustainability actions. During the reporting period, based on the first "CREDIT" program, the Company invited third parties to conduct on-site audits of 35 suppliers of core raw materials including cathode and anode materials.

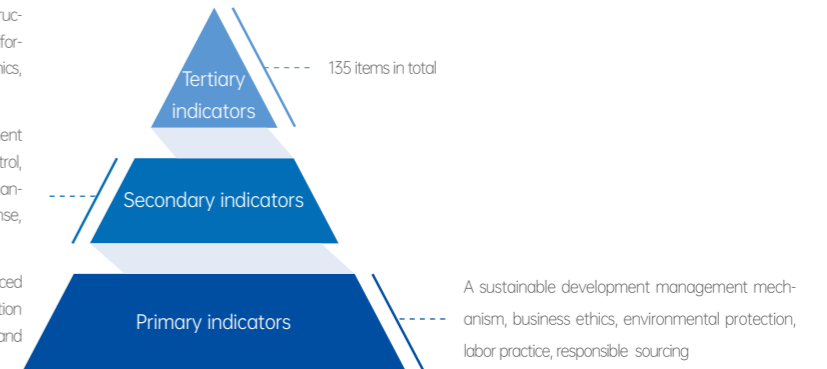
CATL will improve and expand the assessment scope and indicators according to the improvement of each supplier's sustainable development management ability, and assign the assessment weights of different modules according to the industry and category.



Corporate governance (G): sustainable management structures, sustainable development strategy, KPI objectives, information disclosure, compliance performance, business ethics, anti-commercial bribery, high-risk minerals;

Environmental protection (E): environmental management systems, environmental compliance, water pollution control, waste gas pollution control, waste control, chemicals management, energy management, climate change response, and recycling materials management;

Society (S): human resource management, child and forced labor, occupational health and safety, employee education and training, employee career development, emergency and fire safety, and sustainable sourcing management.



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

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

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

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

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



Reinforcing Supply Chain Quality

Supply Chain Quality Management

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

CATL conducts quality management such as access audit and performance monitoring for all tier 1 suppliers and key sub-suppliers. Clear requirements have been put in place in terms of quality standards, while the quality level and management ability of suppliers in terms of quality evaluation system management, personnel capability, product development and process quality, and quality improvement are evaluated. In the access evaluation stage, the supplier's quality score accounts for 35%, and the "one-vote veto system" has been implemented for quality.

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

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

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



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

Digital Transformation of Supply Chain Management

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

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

Enhancing Supply Chain Resilience

Building a stable supply chain

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

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

The CATL-BRUNP Integrated New Energy Industry Park (referred to as New Energy Industrial Park), to cite an example, has integrated phosphate ores, raw materials, precursors, cathode materials, battery recycling and other key links to streamline the supply capacity of upstream materials. Construction of the park will be able to produce cathode materials for more than 4 million new energy vehicles at its full capacity.

Empower Supply Chain Partners

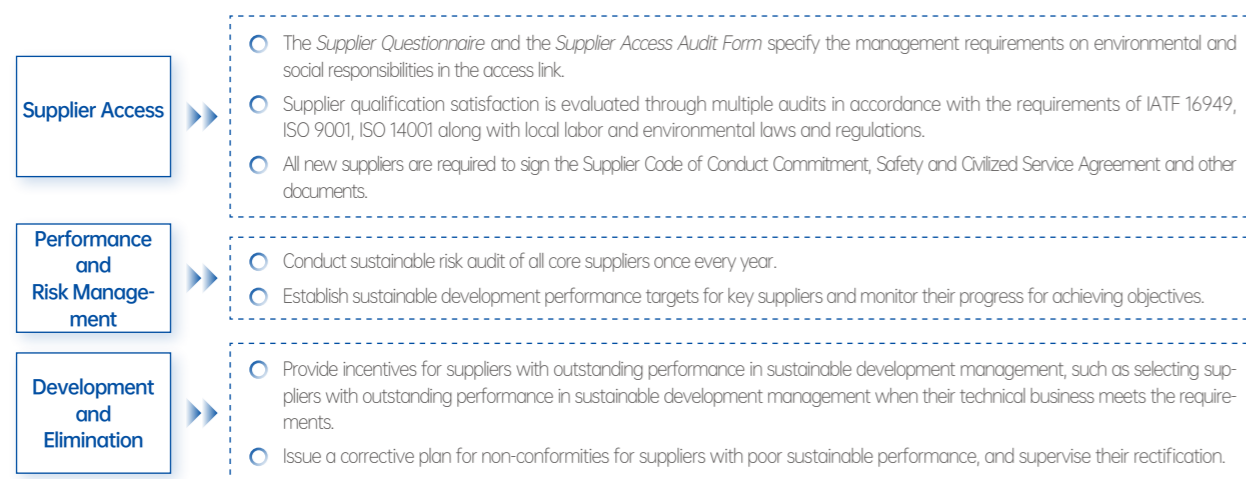
CATL empowers supply chain partners with industry experience to form a more stable supply chain cooperative relationship, which helps to improve their quality management and sustainable development management ability while strengthening the resilience of the supply chain.

CATL carries out regular training on improving the quality management ability of suppliers every year, including the "Must-Know and Must-Do" training for all suppliers to spread CATL's quality requirements. For key suppliers, the Company conducts 3 to 8 targeted trainings every year, including the team orientation problem-solving tools, data analysis methods, Six Sigma Green Belt, engineering thinking, for suppliers to improve their quality management ability and performance. During the reporting period, CATL conducted APQP practical training courses for key raw material suppliers to help them understand the Company's special requirements and common problems on APQP and master the implementation methods of the 35 steps in the four stages of APQP. The Company provided certificates to the employees of 161 main material suppliers who participated in quality training and passed the certification. APQP practical training helped improve suppliers' project quality planning capabilities with an improvement of timeliness rate of the Company's production part approval process by 46.8% if comparing with 2021.

Building a Responsible Supply Chain

Sustainable Development Management of the Supply Chain

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



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

CATL conducted several sustainable development trainings for internal procurement officers to enhance their management ability in the field of sustainable development of the supply chain. Focusing on such modules as carbon emission, recycling materials management and due diligence management of responsible mineral supply chains, the Company has provided 51 sustainable development trainings to suppliers. The trainings covered multiple topics, including climate change and greenhouse gas emission, the product carbon footprint, green power, recycling materials, and due diligence management of responsible mineral supply chains.

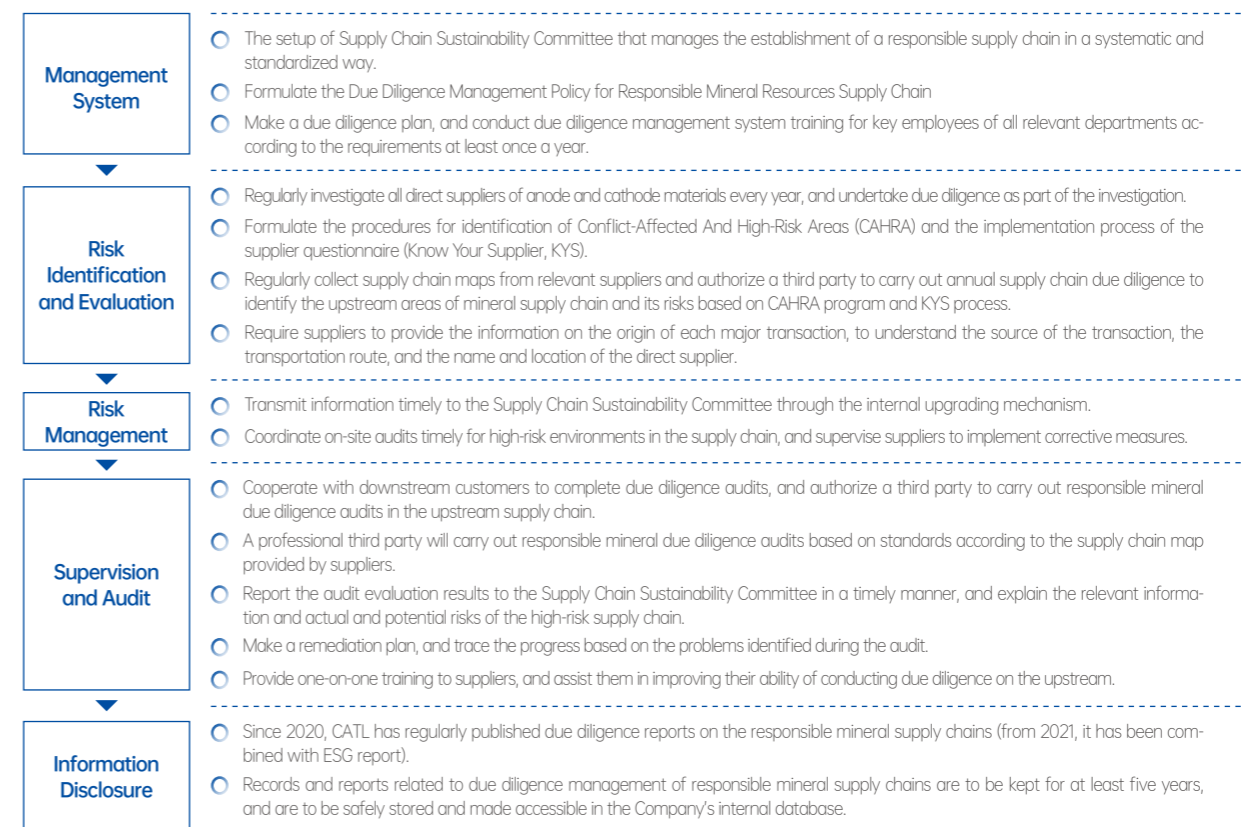
Due Diligence Management of Responsible Mineral Supply Chains

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

CATL is committed to abiding 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 (CCCMC), the Guidelines of OECD for Due Diligence Management of Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidelines) issued by the Organization for Economic Cooperation and Development (OECD), and the regulations of the Dodd-Frank Wall Street Reform and Consumer Protection Act about the management of the minerals tantalum, tin, tungsten and gold minerals in conflict-affected areas, and incorporates them into the contracts or agreements signed with mineral resource suppliers to ensure that all products of the Company and the supply chain do not use the mineral resources that may be a catalyst for conflicts and/or violate the CATL Due Diligence Management Policy for Responsible Mineral Resources Supply Chain.

In order to avoid the risks that may have a significant negative impact during the process of mining, trading, processing, and export of minerals in conflict-affected and high-risk areas, the Company has established a sound due diligence management system of responsible mineral supply chains with reference to the Guidelines of China for Due Diligence Management of Responsible Mineral Supply Chain and OECD Guidelines, and formulated 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, with the goal of strengthening the management of mineral resources supply chain, while proactively managing and reducing the risk to sustainable development of the supply chain.

▲ The Due Diligence Management Process of Responsible Mineral Supply Chains



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

As a member of the Responsible Cobalt Initiative (RCI), CATL actively participates in building a communication and cooperation platform for responsible cobalt industry initiatives. It participates in information sharing and experience exchanging among upstream and downstream suppliers in the cobalt supply chain. The Company also takes an active in developing and implementing the due diligence management evaluation standards of cobalt supply chain, in risk management, and communication internally and externally with the purpose to facilitate the construction of a responsible cobalt supply chain.

In addition to improving its own management, CATL explicitly requires its direct suppliers to communicate this initiative to sub-suppliers. During the reporting period, in order to further enhance the suppliers' ability to conduct due diligence towards their own upstream, the Company conducted training for key material suppliers involving nickel, cobalt, manganese, lithium, natural graphite, copper, aluminum, and mica. The trainings were named "Introduction to Due Diligence Management of Responsible Mineral Supply Chains" and "Risk Identification and Assessment Methods of Mineral Supply Chains."

07

Adding to the Quality of the Workforce: A Win-Win Development Platform for Excellence

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

Meet the Psychological and Material Needs of Employees

- 12 group counseling sessions, 1 psychology knowledge contest, 13 lectures on psychology and 36 trainings were held, with an attendance of **5,200**.
- 198 cultural and sports events were held, with an attendance of **187,895**.
- 164 employees with financial difficulties have been sponsored by the mutual aid fund, with total amount of **CNY 1.9895 MILLION**.

Empower Employee Growth

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

Protect the Safety and Health of Employees

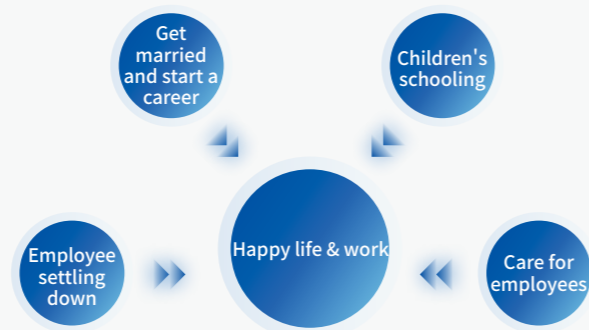
- Provided occupational health and safety education and training for all employees with an attendance of **1MILLION**.



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

CATL always adheres to the vision of "providing a platform for employees to pursue psychological and material well-being," helping employees to be happy in their life and in their work in a peace of mind environment, and achieving simultaneous growth of both employees and the Company.

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

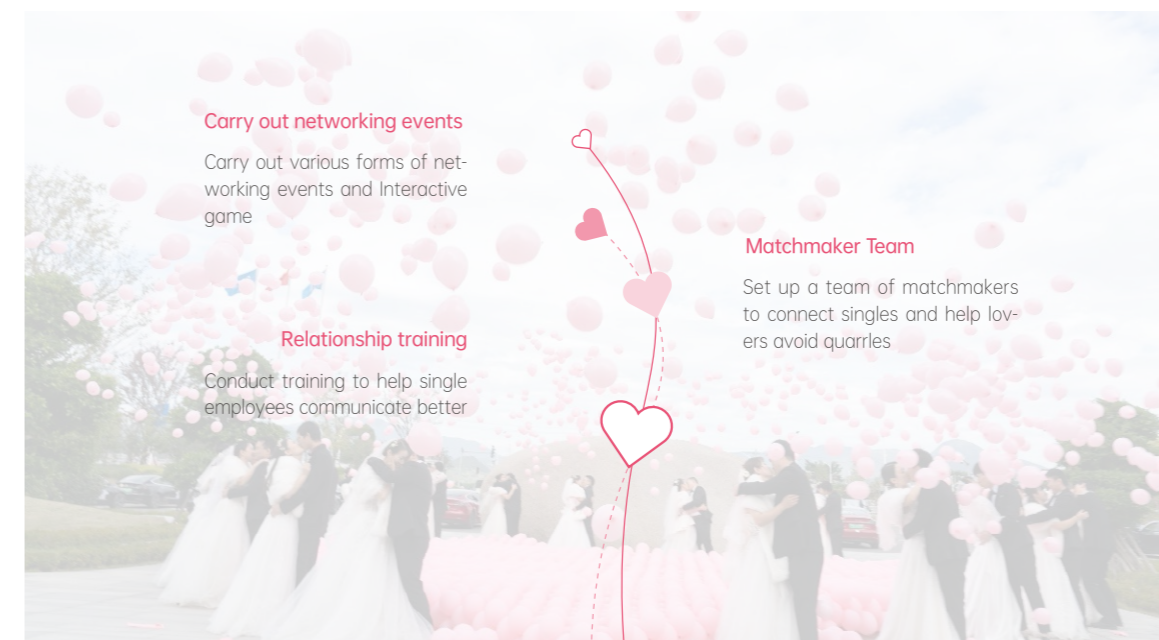


Settle Down and Build a Happy Family Together

CATL provides all employees with options for living arrangement in the Company's free dormitories to ensure that they enjoy a comfortable living environment. The Company built the Chunfengli Community as a model residence that addresses the housing needs of employees and helps retain them. At the same time, the Company also built the Guanyunxuan and Wanhecheng where employees can live and take advantage of preferential rents based on their points ranking. There are other benefits for employees, such as house purchase subsidies, provision of customized furniture and furnishings, property services, and other services to help employees find suitable accommodation near their place of work. In addition, the Company provides dormitories for blue-collar married couples who both work at CATL to address their long-term housing needs.

In order to assist employees with the dating and marriage journey, the Company established the Matchmaking Club and a Matchmaker Team, and organized networking activities for single employees to help them to find partners. CATL holds a group wedding once a year to live them with good memory of establishing happy families at the place where they work. Dr. Robin Zeng, chairman of CATL, personally wrote marriage letters for his newly-married colleagues. During the reporting period, the Company held 36 networking events and helped 61 couples get married.

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



Enjoy Work and Explore the Road to Career Development

CATL has built a career development system for employees that is attentive to their needs. During the reporting period, CATL formally established Operation Culture Group. The group is made up of executives from business systems, corporate culture, human resources, the LOHAS team, and other departments. Its purpose is to assist new and existing employees in integrate into the corporate environment, to enable the employee to feel at home in CATL's corporate culture through surveys and feedback, and to create good conditions for enjoyable work.

Based on mature management experience and supportive caring measures, CATL has formed a people-oriented system of support (referred to as CARE system), which contains four core keywords: Cohesion, Action, Respect and Empathy. Through the Teams Culture Circle (TCC) program and Error Cause Remove (ECR) program, the Company has set up an independent staff team with execution and cohesion, and a service-oriented management team with respect and empathy, to help establish trust between the management and staff at each company facility, while guiding the improvement and development of various businesses.

CATL positively supports the build out and implementation of the CARE system at each facility. The director of the facility is also the general manager of the CARE system, and the production manager and production supervisor is responsible for the team's implementation of the CARE system. At the same time, caring groups and workshops are set up at each facility to coordinate and organize available resources and make sure that each employee feels at home in their workplace. During the reporting period, with the support of operations culture team, the Company has gradually introduced the CARE system to each facility through outreach, visits to each facility, and counseling. Up to date, the CARE system operates at 14 production facilities.

Employee Rights and Benefits

Protection of Employee Rights and Interests

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

CATL explicitly prohibits the employment of child and bonded laborers, and prohibiting any form of slavery, as well as the use of forced, bonded or prison laborers in any form. Forced labor is prohibited. In the recruitment process, the Company strictly abides by the relevant laws and regulations of the country or region where its business operates, and ensures that the employment conditions in the contract signed with employees are clearly expressed in language that the employees can understand. The Company prohibits involuntary labor, and holding the original identity cards and travel documents issued by the government, ensuring that all work is voluntary. All employees of the Company must be over the age of 18.

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

Recruitment and Dismissal



- Adhere to the principle of "Openness and Fairness" to treat all applicants equally and recruit workers on a selective basis.
- Handle dismissal matters according to the local laws and regulations at the place of operation.

Remuneration and Promotion



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

Working Hours and Holidays



- During the reporting period, the Attendance Management System and the Management Rules for Leave and Vacation were updated and issued to strengthen the management of working hours and holidays, and to ensure that the working hours in each operation facility obey the requirements of local laws.
- Arrange shifts according to production needs. Employees need to apply in advance for over-time working hours if necessary.
- Regular monitor on the arrangement of working hours, inform management of the overtime schedule of workers on the production line, and adjust the working hours in a timely manner to ensure their physical and mental health.

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

Equality and Pluralism

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

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

CATL explicitly opposes workplace harassment and protects employees from sexual harassment, threats and intimidation at work. The Company integrates anti-discrimination and anti-harassment training into the onboard training of new employees, so as to ensure that all employees understand the Company's management policies on equal employment and anti-harassment in the workplace as soon as they are employed. In the case of an incident, the Company will conduct an investigation according to existing protocols and systems and give punishment accordingly, to prevent similar incidents from happening again. The Company has set up an internal forum to encourage all employees, to follow compliance rules or regulations, and to feedback anonymously or with real-name when facing a problem in the workplace or during life. Relevant department will follow up in a timely manner, actively respond to employees, and resolve related problems.

With the establishment of operations outside of China, CATL proactively assists employees who are selected for relocation abroad in taking lessons of new culture and language, as well as psychological counseling so that the employee can adapt to the new environment quickly. In order to help expatriates integrate into the local working environment and cultural quickly, the Company arranges cross-cultural courses for employees in the preparation for their overseas assignment, helping them to understand the environment of the new office even before departure and getting familiar with the culture of the destination country. The Company's online learning platform has launched 10 German assignment courses and 7 Hungarian assignment courses, covering diversified courses such as information security, code of conduct, travelling guide, local customs and legal knowledge.

To help employees quickly integrate into local life, when the expatriate employees arrive in the country of destination, the local company will arrange a welcome meeting for them to explain the local laws and regulations of the Company. At the same time, the local company shall organize regular language learning exchange meetings and psychological counseling to listen to the voices of expatriate employees.

← CATL Won Titles of Best Employer in 2022

★ SHL 2022 Talent Management Excellence Award

★ Moka and HRflag 2022 China Human Resources Sirius Award for Best Employer Brand

★ LinkedIn 2022 Global Attractive Employer Award

★ Xinhuanet and ChinaHR 2022 "New" Selection of Employers

★ Zhaopin 2022 China Best Employer Award

★ CIWEI 2022 Top Ten Popular Young Employer Brands

★ Liepin 2022 Fujian Extraordinary Employer

Employee Benefits

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

Basic Employee Benefits



- All employees enjoy good welfare, including shuttle bus to and from work, lodging allowance, five major social insurance programs and housing provident fund, annual physical examination, gift packages and team building activities.
- Provide employees with parental leave and one-child care leave. As for parental leave, the employees who have registered their marriage legally and have children in accordance with the Regulations of Fujian Province on Population and Family Planning can enjoy 10 days of parental leave every year before their children reaching the age of 3.
- A series of activities are arranged with holiday feature and traditional customs to celebrate the New Year's Day, Spring Festival, Mid-Autumn Festival, National Day and other holidays.
- Various theme activities including family visit days, fluorescent fun run, watermelon parties and group weddings, as well as care activities such as "sending coolness in summer," free movies, business public welfare days, and caring for pregnant women are held time by time every year.
- Install indoor and outdoor basketball courts, dance studios, gyms, badminton courts, and other activity centers and equipment; encourage employees to establish hobby clubs such as basketball, reading, running, and dancing club for ongoing activities.

Care for Female Employees



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

Care for the Mental Health of Employees



- Invite qualified counselors to provide one-on-one psychological counseling services for employees and their immediate family members. During the reporting period, the resident consultants saw employees for 269 sessions while remote consultants engaged in 715 sessions.
- Provide psychological examinations every year to help the Company understand the psychological state of each employee, and provide a basis for the Employee Assistance Program (EAP) and the improvement of operation management. Consultants are invited to take care of employees who demonstrate psychological risks (such as depression) in their psychological examination. During the reporting period, 81% of employees participated in the psychological examination.
- Enhance employees' psychological health consciousness through email, internal collaboration applications, internal forums, posters, banners, etc.
- Set up Psychological Health Month and host a series of psychological health activities, such as Psychology Carnival as well as Mindfulness and Mindfulness-Based Stress Reduction.

In 2022, the psychological examination was carried out in the following companies: CATL*,CATL-XJ, CATL-SC, CATL-RT, CATL-RQ, CATL-QH, CATL-JS, CATL-JC, CATL-FD, UABC, CGEC, CGBC, CFBC, CAML-JT, CAIT-SH, CETL-PN, and CASW-RZ.

Supporting the Lives of Retired Employees



- Attend to the life of retired employees. After internal employees reaching the age of local legal retirement or completing early retirement procedures, they can apply for being Company consultants to continue providing services to CATL and assist in personnel training and industry development.

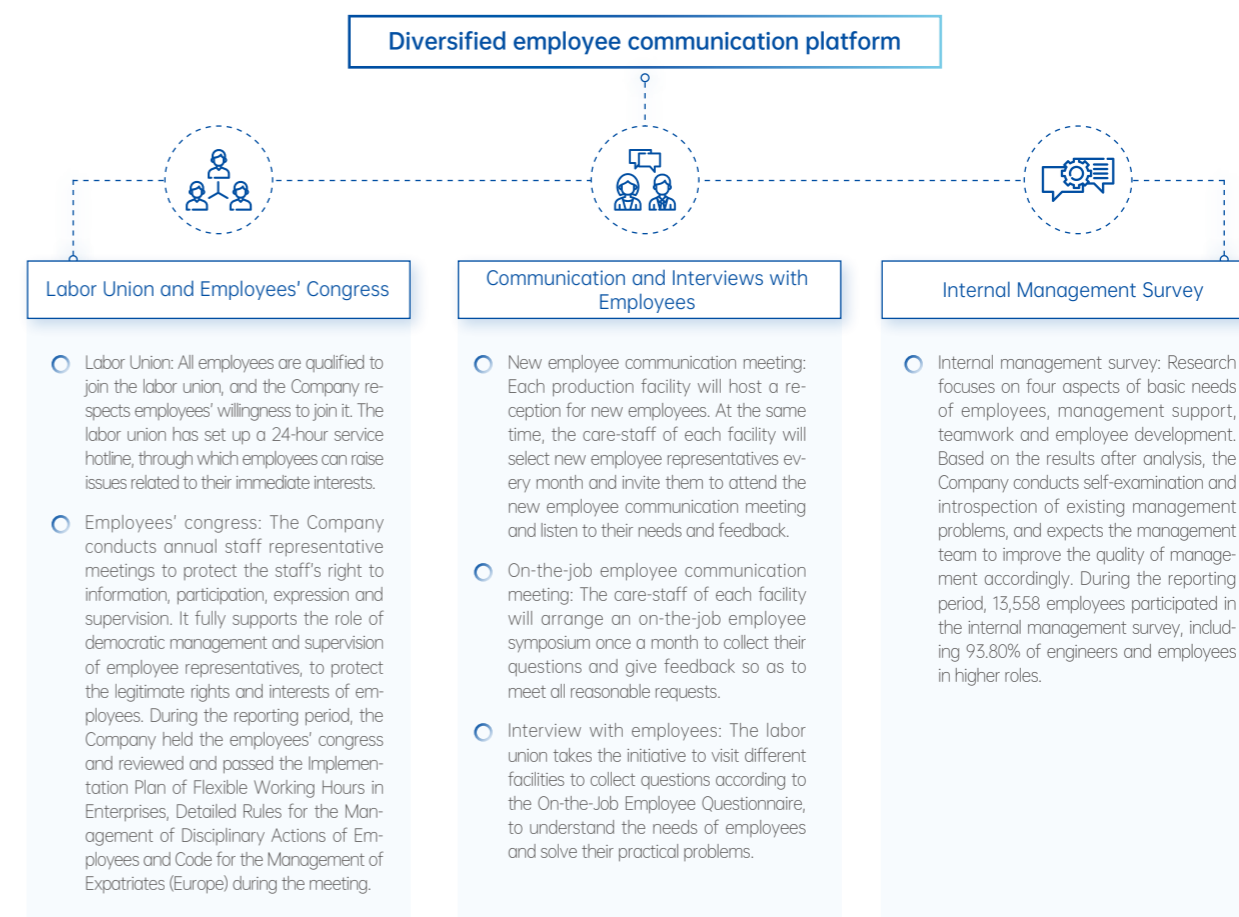
Assistance for employees with difficulties



- The Company cares about its employees and their families, and has set up the CATL Mutual Aid Emergency Fund to help the employees with difficulties and provide basic living support for them. CNY 1 (plus CNY 4 subsidized by the Company) shall be deducted from employees' monthly salary as the contribution to the relief fund pool for mutual assistance for employees in need and their families. During the reporting period, the Company accepted and reviewed 164 applications for mutual assistance, and paid subsidies of CNY 1.9895 million.

Employee Communication Mechanism

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



Talent Acquisition and Development

Attracting Talent

To acquire quality talent, CATL cooperates with universities to cultivate talent and actively participates in campus recruitment activities.

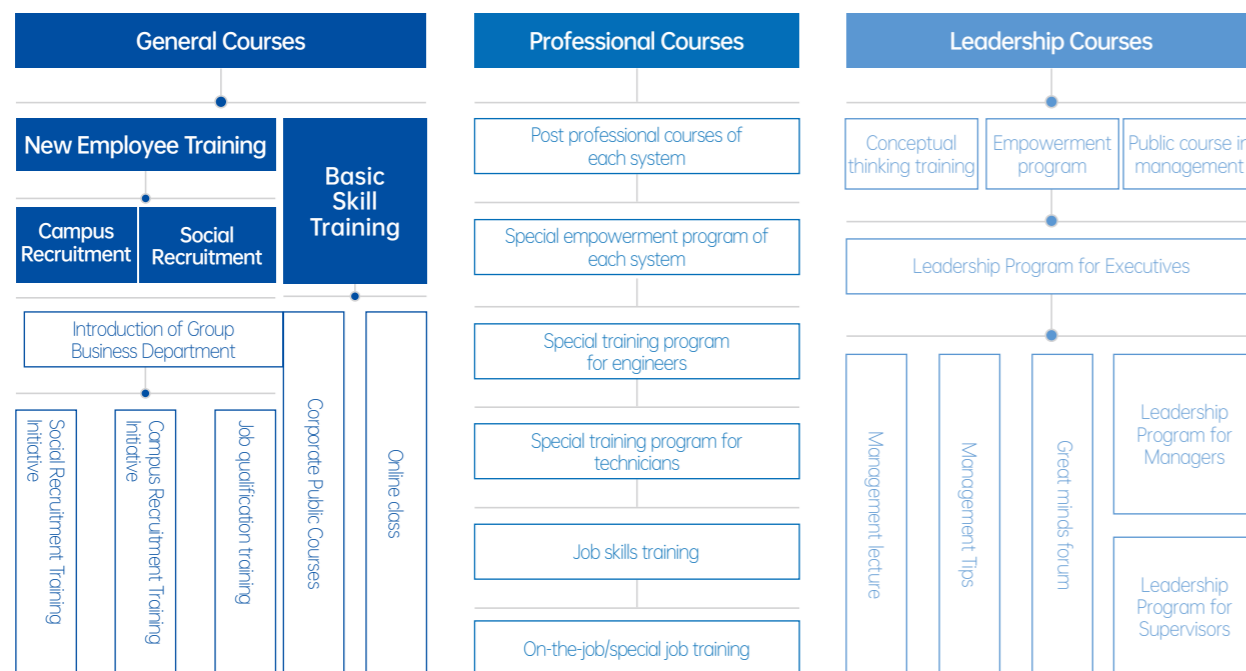
During the reporting period, with the support of the Ministry of Education, the Company cooperated with more than 20 universities to carry out the exchange of "visiting enterprises to expand their posts," and signed the Agreement on Co-education of Talent between Universities and Enterprises with 10 universities including Dalian University of Technology, Shanghai University of Technology, Shenyang University of Technology and Harbin Institute of Technology.

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

Employee Training and Development

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

Employee Training System



Construction of collective learning resources (courses, lecturers, platforms)
Resource sharing mechanism of HQ systems and bases, training and development support for career development process

General Courses

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

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

Professional Courses

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

During the reporting period, the Company carried out T-Transformation and Secret Weapons of Monitors courses for technicians, with an attendance of more than 300,000; and Six Sigma (Green Belt/Yellow Belt) professionalism training programs, covering about 2,000 people.

Leadership Courses

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

During the reporting period, the Company carried out the management skills upgrading program for team leaders of CATL Core Energy, the management skills upgrading program for supervisors of CATL Core Power Team, the management skills upgrading program for newly-promoted managers of CATL Core Sailing and management lectures to help employees improve their management skills, covering about 8,000 people.

Through seminars, workshops and lectures, CATL also offers courses such as great minds forums, master classes, "Six Thinking Hats," and others, to enhance the ability of employees in their daily work and to provide strong support for the Company's quality-driven development. During the reporting period, the Company organized 30 great minds forum activities on-and off-line, with an attendance of more than 15,000.

Meanwhile, CATL launched the Internal Trainer Program to achieve talent empowerment. The Detailed Rules for the Management of Internal Trainers specifies the recruitment, certification, training and incentives of staff trainers. CATL provides the staff trainers with training resources for teaching performance and curriculum development empowerment as well as incentives. During the reporting period, the Company onboarded 960 trainers; By the end of the reporting period, the number of trainers reached 1,045.

In addition, CATL provides support for all employees to improve their academic qualifications through tuition assistance, so as to enhance their competitiveness in career development. The Company and the Open University of Ningde jointly launched the Realize Learning Dreams program to build a platform for employees to learn, communicate and develop. During the reporting period, 592 employees signed up for the academic upgrading program at the Open University of Ningde, while 186 graduated from the program.

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

In addition to train its own employees, CATL continues to promote the development of a "professional class" for the industry. The Company has joined hands with many leading application-oriented universities and vocational colleges of professional education in China by offering industry-university education cooperation programs, such as "New Apprenticeship Program," "Double-qualification System" and "1+X." It provides students with practical training, intern opportunities and positions etc., provides schools with teaching equipment, and holds skill competitions jointly, improves the integration of schools and enterprises, achieves the integration of education, training, employment and sustainable development of professional and skilled personnel. For example, the Company, following the principle of government guidance, enterprise-orientated and college participation, has comprehensively implemented the new apprenticeship program in line with "The CATL work-study program — The Company becomes a place of learning — Earn a college degree while on the job." Through the cooperation between the company and the school and the shift between work and study, the Company has developed a new model for staff training and started to build a bank of skilled personnel. During the reporting period, 958 employees were enrolled and trained in the third session of the new apprenticeship intermediate class.

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

Promotion and Retention of Employees

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

CATL has formulated the Personal Performance Management System, which clearly stipulates that those who violate the relevant policies and regulations on maintaining integrity in all processes shall have their performance grades set according to the relevant policies and documents issued by the Company. Other violations of information security and other areas will also be included in the performance evaluation as the basis for managers to make performance evaluation decisions.

In order to establish a stable workforce, CATL strives to attract and retain talent through active communication and employee motivation, so as to realize the growth of both employees and the enterprise.

For employees who are inclined to leave, CATL will actively communicate with them to understand their demands and persuade them to stay. Their managers and workshop care-staff will communicate with employees, combining direct interviews with pre-exit communication sessions to protect employee privacy and to understand the root cause of their leaving, so as to answer employees' grievances and reduce turnover rate.

CATL also helps employees to explore their own career development path and motivate them. Taking front-line employees as an example, the Company launched the "Rank" mechanism to encourage employees to participate in "ranking" through training, theoretical assessment, technical renovation evaluation and other aspects, so as to pave a path to production workers who seek a career in relevant technologies and to grow into a technical expert who can independently and quickly solve anomalies in the production line.

In addition, CATL is improving medium and long-term incentive mechanisms, and is building a benefit-sharing mechanism between employees and owners to attract and retain outstanding management talent and essential business staff. After being listed, the Company has continued to carry out equity incentives, having offered 18,000 financial rewards in the form of stocks in total. As of the end of the reporting period, the Company has had 5 incentive plans under implementation. The incentive tools include Restricted Stocks and Stock Options, while over CNY 49 million Restricted Stocks/Options granted in total.



Occupational Health and Safety

Management of Work Safety

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

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

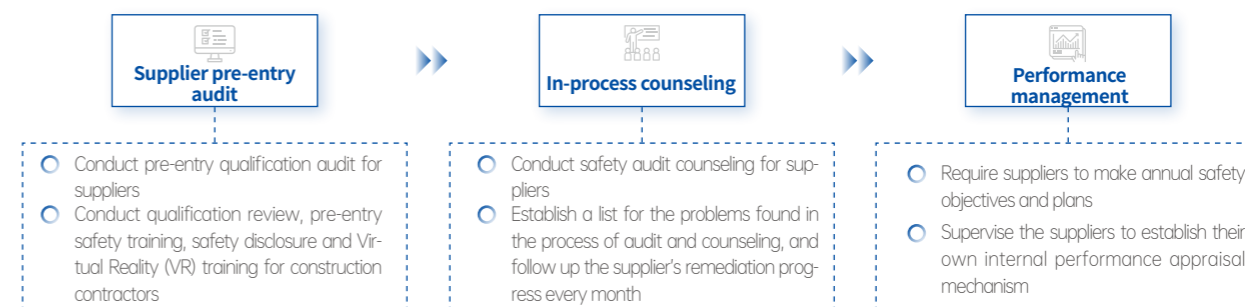
CATL formulated the Safe Production Management Policy and the Safe Production Responsibility System as the guidelines for safety management. At the same time, all employees must sign the Responsibility Letter for Safe Production every year to implement safe production objectives and responsibilities,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

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

By the end of the reporting period, 100% of the production facilities with stable operations and certification qualification have passed the ISO 45001:2018 occupational health and safety management system certification. Other facilities under construction or recently built have also actively invested in the construction of the ISO 45001 occupational health and safety management system. In addition, CATL* and CATL-QH have passed the second-level standard assessment of safe production standardization. During the reporting period, the Company's employee loss-of-work rate was 0.04 per million man-hours¹.

For suppliers and contractors, CATL has established a supplier production safety management system, formulated in the Supplier Production Safety Management Policy, the Safety and Civilized Service Agreement and other protocols. The safety management requirements of the whole operation cycle from supplier selection, onboard training, construction process management, and end of delivery are clearly defined. The Company strictly controls the safety of suppliers and contractors entering the factory through independent management of business-related departments. Allocation of responsibility for safety in construction areas is based on a grid management system as well as safety supervision and management, so as to ensure the stability and continuity of the Company's business. During the reporting period, the Company conducted pre-entry safety trainings for construction contractors, with an attendance of 184,967.

Key Links of Supplier Production Safety Management



¹ The statistical scope of the data includes all subsidiaries involving battery production, and additionally covers CAML-JT and CETL-PN.

Digital Transformation of Safety Management

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

The Intelligent Management System Standardizes the Management of Safe Production

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

Panoramic Factory Visualization Monitors Security Risks Comprehensively

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

Real-time, early-warning intelligent safety hazard monitoring

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

Building a Safety Culture

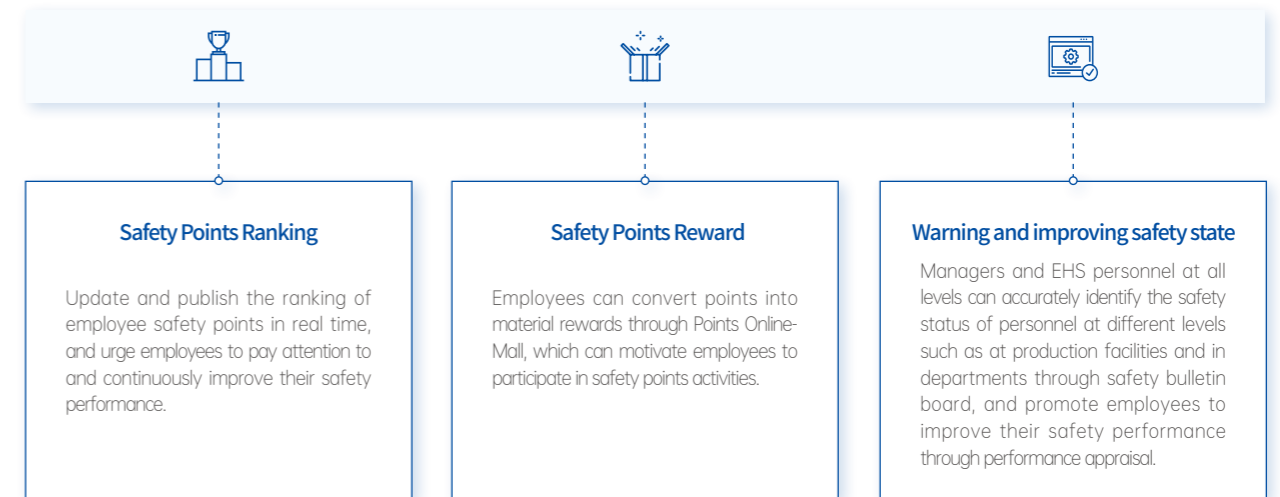
CATL actively builds a safe production culture for all employees, and strengthens employees' safety consciousness and safety affair execution through linking-to-performance, safety education, safe production culture promotion, and encouragement to report potential safety hazards. This promotes safe production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

Responsibility for Work Safety is Linked to Performance

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



Safety Scoring Mechanism



Safety Education

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

CATL formulated the 2022 Safety Training Plan to regularly conduct safe production-related training for all employees to enhance their safety consciousness and skills. During the reporting period, the Company organized various trainings under safety topics such as the Law on Safe Production, basic knowledge of fire safety, safety of machinery and equipment, and safety management of chemicals, with an attendance over 1,000,000.



Safe Production Culture Promotion

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

Encourage the Reporting of Safety Risks

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

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



Occupational Health Protection

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

Occupational Health System Norms

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

Identification and Management of Occupational Hazards

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

Occupational Health Monitoring

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

08

Contribution to Community: A Beautiful and Inclusive Social Ecosystem

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

Practice the Culture of sustainable Development

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

Participation in Social Welfare

- During the reporting period, CATL invested **CNY 184 MILLION** in social welfare.
- CATL employed about **2,000** documented disadvantaged individuals.



Our Focus 2022: Pluralistic Integration, Drawing a "New Picture" of Rural Revitalization

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

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

Stable Employment: The Key Path to Realize Rural Revitalization

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

CATL attaches great importance to the stable poverty alleviation of documented disadvantaged individuals, and the Company prioritizes the recruitment process to tackle the employment problems of this group in long run. During the reporting period, CATL helped approximately 2,000 disadvantaged individuals obtain stable jobs. At the same time, the Company also assisted them in achieving personal growth and career development by organizing skills training and upgrading their academic qualifications.

Industrial Revitalization: The Basis of Comprehensive Revitalization

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

During the reporting period, CATL helped rural revitalization through cooperation between villages and enterprises, participated in the "I have farmland in Ningde" campaign initiated by Ningde Municipal Party Committee and the People's Government of Ningde, the campaign helped in raising farmers' incomes in long run, created solutions for problems, and associated with the sale of rice by donating money to raise funds and providing sales guarantees. Through the "three-in-one" linkage in donating money to raise funds, CATL reclaimed abandoned land in Jiadi Village in Hubei Town, Huotong Village, Kengtou Village in Huotong Town of Jiaocheng District, Pingnan County and other communities, to promote the rural revitalization.

In Jiadi Village of Hubei Town, CATL signed a joint construction agreement with the village collective, forming a new collaborative model of "Joint Construction + Grain Production + Industrial Revitalization" to promote local industrial development. In addition, the Company also gives full play to the advantages of village-enterprise to jointly provide support to the kiwifruit industry in Jiadi Village and enrich the sales channels of kiwifruit, and thus helped the development of rural featured agriculture.

CATL continues its participation in the "Customized Tea Garden for Poverty Alleviation" program. It has adopted a 333,335.00 m² customized tea garden for the purpose of poverty alleviation, and has provided long-term support specifically for Xiadang Village in Shouning County of Ningde, relying on the local tea industry to help rural revitalization. During the reporting period, CNY 6.7226 million was invested in the "Customized Tea Garden for Poverty Alleviation" program.

Education Revitalization: Injecting Sustainable Development into Rural Areas

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

Since 2018, CATL has been organizing the annual "Love and Help Students" campaign to support students in need. During the reporting period, the Company launched the fourth "Love and Help Students" campaign, calling on all employees to donate, with 102 students being sponsored by the Company and its employees. CATL has assigned sponsors to visit the sponsored students in Dongling Village in Huotong Town, and Tangwan Village in Chixi Town and other communities. It distributed subsidies to strengthen communication between sponsors and sponsored students. At the same time, the Company held a "one-on-one" pairing help meeting to promote the pairing of employees and students, and provided the financial assistance according to the annual standard of CNY 2,000 to CNY 3,000 per student until their graduation from high school. It establishes a profile for each student, send them books to help their transformation into knowledgeable young adults, establish a regular care system, make contact cards, and pay regular and dynamic attention to their growth.

In addition, Guangdong Brunp, a subsidiary of CATL, signed donation agreements with Hunan Institute of Technology, Sichuan University, Central South University and other universities to set up a "Brunp Education Scholarship" to support universities in the carrying out of scientific research, encouraging outstanding students in their studies and helping the students with financial difficulties realize their dreams. During the reporting period, the Company invested CNY 4.36 million in the "Brunp Education Scholarship."



¹ CATL has been involved in this project since 2019, and has been supporting and investing resources for a long time. Therefore, the name of this project has not been adjusted after China has achieved comprehensive poverty alleviation.

Creating Sustainable Culture

Cultivating an Atmosphere of Sustainable Development

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

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

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

CATL: Watering the Charity Forest

To enhance employee consciousness of environmental protection and engage employees to practice a green and low-carbon lifestyle, CATL has held online and offline watering activities for four consecutive years to encourage employees to "water" the CATL charity forest by means of reward exchange. By the end of the reporting period, the Company has poured 190 tons of water and planted 1,306 Mongolian scotch pines.



Plugging: a Jogging and Litter Pickup Event

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



"Ring the Green" Activity

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

Biodiversity Knowledge Exhibition and Competition

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



Practicing the Commitment of Sustainable Development

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

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

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

Creating Social Value Together

Community Communication

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

Support Communities in Improving Infrastructure Development

CATL continues to support communities in improving infrastructure construction, enhancing the supply capacity of public service facilities, and meeting the daily needs of the community. CATL donated CNY 110 million for the construction of Chunfengli Campus of Primary School Affiliated to Ningde Normal University, solving the problem of insufficient places in Ningde's primary schools. During the reporting period, Chunfengli Primary School has officially started the first enrollment.

Working with the Community to Promote Sustainable Development

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



Helping to Address Community Needs

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

- Support epidemic prevention and control: Facing a sudden outbreak in Ningde, CATL concerned about the needs of the community and set up a volunteer team to assist the community grid administrators in carrying out nucleic acid testing for all residents, mobilize employees and their families to participate in the nucleic acid tests, maintain the order on site, help the community to carry out the consultation on prevention and control, and provide psychological counseling for residents during the pandemic.
- Sympathize with the community with care and love: CATL regularly visits communities to help solve local needs. This takes the form of volunteering activities, including visits to the public service facilities, free clinics and haircuts and directing of traffic. During the reporting period, the Company staged three free clinics and haircuts for the elderly in the community and local nursing homes to look after their health.



Overseas Community Relationship Management

CATL places emphasis on community relations management as it accelerates its global footprint. It actively maintains communication with the communities where it operates, establishes a good and friendly corporate image by participating in local cultural events, and responds to the needs of local communities. Meanwhile, the Company also tries to help local communities to understand CATL better, promote the localization of business operations, and work with the communities to achieve sustainable development together.

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



CATL also works together with local non-profit organizations to focus on the social needs of its places of operation through donations of materials and funds.

- Focus on the needs of disadvantaged groups in the community: CATL cooperates with the non-profit organization Barrier-free City Arnstadt, participates in the "Piktogrammtafeln" program specially for children with autism or language barriers, and sets up pictographic boards in public playground of Arnstadt to help the children communicate through pictures. At the same time, CATL has donated money to the non-profit organization Tafel Arnstadt for two consecutive years to provide free food for groups in need and meet the living needs of the disadvantaged groups.
- Promote environmental protection in the community: CATT works with Baumpate Thüringen, a non-profit organization, to donate 1,500 trees to the Thuringian forest and organize internal management and other employees to participate in tree planting activities to promote local green development and highlight the Company's image of sustainable development.

Emergency response

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

Responding Quickly to Social Needs

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

Help solve the needs of local communities

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

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

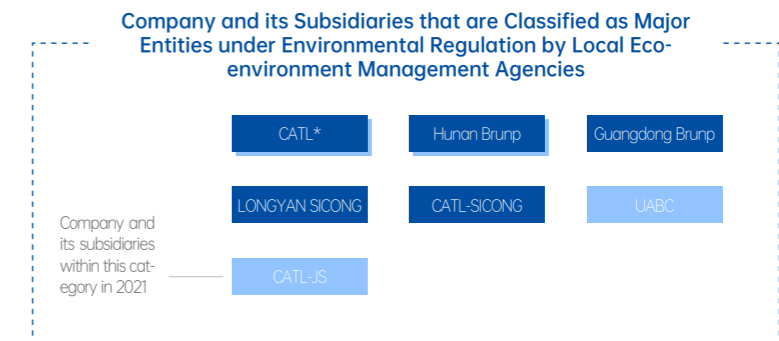
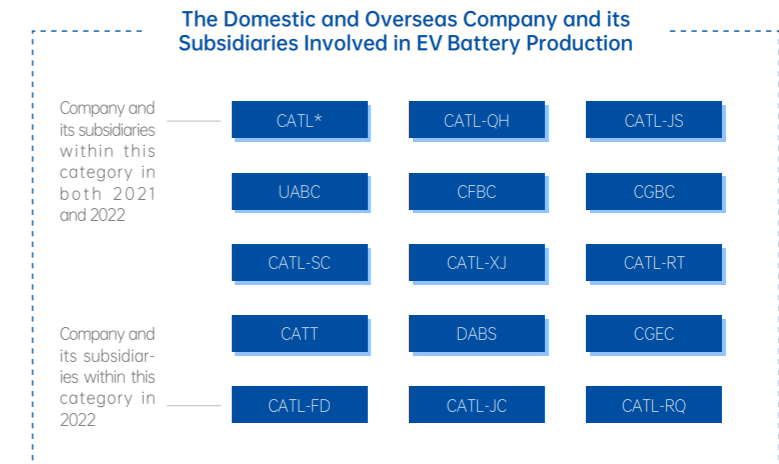


ESG Quantitative Performance Table

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

Issues	Coverage	Consistent with the scope of CATL's Consolidated Financial Statements	The domestic and overseas company and its subsidiaries involved in EV battery production	Company and its subsidiaries that are classified as major entities under environmental regulation by local eco-environment management agencies	CATL*
Corporate Governance and Economic Performance					
Economic Performance		● ● ●			
Intellectual Property Right Protection		● ● ●			
Anti-corruption		●			
Environmental Performance					
Energy Use			● ●		
Greenhouse Gas Emission			● ●		
Water Stewardship			● ●		
Packaging Material Use ¹			●		
Discharge, Emission and Waste ²			●	● ●	
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 ³					●
Employee Training ⁴			● ●		
Employee Performance Assessment		●			
Occupational Health and Safety ²			●	● ● ●	
Social Public Welfare		●			
Volunteer Service		● ● ●			

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



The comparison of company names and abbreviations appearing in this Report is detailed in Appendix 2. In particular, "CATL*" lies in the categories of both "domestic and overseas subsidiaries involved in EV battery production" and "Company and its subsidiaries that are classified as major entities under environmental regulation by local eco-environment management agencies".

- Data coverage in 2022
- Data coverage in 2021
- Data coverage in 2020

Corporate Governance and Economic Performance

Statistical Scope of the Data in 2022

The scope of corporate governance and economic data is consistent with that of CATL's Consolidated Financial Statements.

Comparison with the Previous Year

Anti-corruption performance is disclosed since 2022.

Economic Performance

Indicator	Unit	2020	2021	2022
Total assets	CNY 10,000	15,661,842.69	30,766,686.09	60,095,235.19
Revenue	CNY 10,000	5,031,948.77	13,035,579.64	32,859,398.75
Revenue growth rate	%	9.90	159.06	152.07
Net profit	CNY 10,000	610,391.81	1,786,073.01	3,345,714.35
Net profit growth rate	%	21.77	192.61	87.32
Net profit attributable to shareholders of listed companies	CNY 10,000	558,333.87	1,593,131.79	3,072,916.35
Basic earnings per share	CNY/Share	2.4942	6.8760	12.9178

Intellectual Property Right Protection

Indicator	Unit	2020	2021	2022
Number of granted patents	Pcs.	3,317	4,445	6,583
Domestic	Pcs.	2,969	3,772	5,518
Overseas	Pcs.	348	673	1,065
Number of patents in application	Pcs.	3,454	5,777	10,054

Anti-corruption

Indicator	Unit	2022
Total hours of employees participating in anti-corruption training ¹	Hour	65,554
Proportion of employees participating in anti-corruption training ²	%	100
Number of operation sites having accepted corruption risk assessment ³	Pcs.	1
Number of operation sites exposed to major corruption risk as determined by risk assessment	Pcs.	0

¹ Only includes the time for special case law training, special integrity training for promoted employees, and integrity certification testing.

² Considering the high turnover, grass-root front-line employees are not incorporated in the statistical scope of the data.

³ In 2022, the CATL headquarters carried out ISO 37001 anti-corruption risk assessment, and initially established the anti-corruption management system.

Environmental Performance

Statistical Scope of the Data in 2022

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

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

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

Comparison with the Previous Year

The statistical scope of discharge, emission and waste data has expanded since 2022.

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

Energy Use

Indicator	Unit	2021	2022
Total energy consumption ¹	MW·h	4,599,848.68	9,551,107.94
Direct energy consumption ²	MW·h	1,490,517.02	3,202,058.36
Indirect energy consumption ³	MW·h	3,109,331.66	6,349,049.58
Total energy consumption intensity ⁴	MW·h/GW·h	28,415.18	29,423.80

¹ The quantification refers to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020). Energy consumption here includes the use of natural gas, purchased electricity, and steam. The energy consumption of the gasoline/diesel oil consumed by owned vehicles, diesel oil consumed by backup diesel generator and natural gas consumed by staff canteen are not incorporated in the statistics, since their proportion as a whole is lower than the materiality threshold (2%). During the reporting period, the direct energy consumption and indirect energy consumption of CATL rose sharply, mainly due to the development of the EV battery production and the expansion of statistical scope (additionally covering the production bases newly put into operation during the reporting period).

² The quantification 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 from the measured value reported by different bases.

³ The quantification refers to Steam Heat Calculation Method (GB/T 34060-2017) and General Reporting Protocol Version 3.0. We use in quantification parameters (like enthalpy) of the purchased steam obtained from the practical conditions when used by equipment and facilities in all bases.

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

Greenhouse Gas Emission

Indicator	Unit	2021	2022
Total emissions			
Total GHG emissions¹	tCO ₂ e	2,262,741.87	3,408,278.39
Scope 1 GHG emissions ^{2,3}	tCO ₂ e	303,120.23	833,217.19
Cell	tCO ₂ e	298,986.20	818,664.18
Module	tCO ₂ e	113.23	971.63
Pack	tCO ₂ e	60.97	478.44
Others	tCO ₂ e	3,959.83	13,102.94
Scope 2 GHG emissions ^{2,3}	tCO ₂ e	1,959,621.64	2,575,061.19
Cell	tCO ₂ e	1,634,679.74	2,191,649.71
Module	tCO ₂ e	81,818.22	107,414.34
Pack	tCO ₂ e	41,926.57	68,207.10
Others	tCO ₂ e	201,197.11	207,790.04
Emission intensity			
GHG emission intensity⁴	tCO ₂ e/MW·h	13.98	10.50
Cell	tCO ₂ e/MW·h	11.95	9.28
Module	tCO ₂ e/MW·h	0.51	0.33
Pack	tCO ₂ e/MW·h	0.26	0.21
Others	tCO ₂ e/MW·h	1.27	0.68
GHG emission intensity decline⁵	%	10.33	24.89

1 The total GHG emission includes Scope 1 and Scope 2 emissions. The calculations of such GHG 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 GHG emission data obtained from internal accounting in its annual ESG report. The audited Scope 1 and Scope 2 GHG emissions and the GHG emissions in specific categories of Scope 3 will be disclosed after the third-party's audit statement is acquired. The data of 2021 in this report has been restated upon the audit, and thus varies from the data disclosed in our 2021 ESG report.

2 Scope 1 GHG emissions include that from the natural gas and fugitive gas consumed in EV battery production; and only consider CO₂ in quantification. The calculation of natural gas emission factor refers to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (2022), with the calorific value obtained from the measured value of equipment and facilities. The fugitive emission is calculated as 5% of total GHG emission. Scope 2 GHG emissions include that from the purchased electricity and steam consumed in EV battery production; and only consider CO₂ in quantification. The calculation of purchased electricity and steam emission factor refers to the Accounting and Reporting Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (2022), with the parameters of the steam obtained from the measured value of equipment and facilities.

3 The considerable increase in Scope 1 and Scope 2 GHG emissions in 2022 is mainly derived from the growth of EV battery production capacity.

4 GHG emission intensity = total GHG emissions/total output of cell products, same as below. During the reporting period, the decline of the GHG emission intensity mainly results from the adjustment of emission factor of purchased electricity (from the value referring to the Baseline Emission Factor of Chinese Grid for Emission-reduction Projects in 2017(2018) in 2021 to that from Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (2022), and the optimization of the power use mix.

5 GHG emission intensity decline(%) = (1 – GHG emission intensity of this year)/GHG emission intensity of previous year) ×100%.

Water Resource Use

Indicator	Unit	2021	2022
Total water withdrawl ¹	m ³	10,161,636.52	20,407,511.94

1 The data we collect in 2022 and data disclosed in our 2021 ESG report ("total water consumption") all refer to total water withdrawl, so the indicator is adjusted accordingly.

Packaging Material Use

Indicator	Unit	2022
Projects using recyclable/regenerable packaging materials ^{1,2}	%	98
Projects using recyclable/regenerable packaging materials (module)	%	96
Projects using recyclable/regenerable packaging materials (pack)	%	100

1 See the definition of "recyclable/regenerable packaging materials" in the "Environmental Protection" chapter. The recyclable/regenerable packaging materials defined by the Company means the packaging materials that can be used repeatedly for 5 or more times or with a recyclability rate of no lower than 50%, such as metals, HDPE and corrugated paper.

2 The statistical scope of packaging material use data covers all production bases engaged in mass production of EV battery products. During the reporting period, foreign module projects cannot adopt recyclable/regenerable 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 such data.

Discharge, Emission and Waste

Indicator	Unit	2021	2022
Total water pollutant discharge and air pollutant emissions¹			
Chemical oxygen demand (COD)	Metric ton	37.75	51.26
Ammonia nitrogen (NH ₃ -N)	Metric ton	3.77	4.63
Nitrogen oxide (NO _x)	Metric ton	119.31	223.16
Sulfur dioxide (SO ₂)	Metric ton	5.75	9.96
Solid waste¹			
Non-hazardous industrial solid waste generation	Metric ton	303,727	698,292
Non-hazardous industrial solid waste directed to disposal	Metric ton	/	910
Incineration	Metric ton	/	136
Landfill	Metric ton	/	774
Non-hazardous industrial solid waste diverted form disposal	Metric ton	/	697,382
Reuse ²	Metric ton	/	366,408
Recycling ³	Metric ton	/	240,020
Recover through other operations (excluding reuse or recycling) ⁴	Metric ton	/	90,954

Indicator	Unit	2021	2022
Hazardous waste generation	Metric ton	4,960	12,109
Hazard waste directed to disposal	Metric ton	4,960	12,109
Incineration	Metric ton	/	7,632
Landfill	Metric ton	/	2,566
Others	Metric ton	/	1,911

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

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

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

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

Social Performance

Statistical Scope of the Data in 2022

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

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

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

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

Comparison with the Previous Year

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

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

R&D and Innovation

Indicator	Unit	2020	2021	2022
Product R&D investment	CNY 10,000	356,937.77	769,142.76	1,551,045.35
R&D expense growth rate	%	19.29	115.48	101.66
Ratio of R&D expenses to revenue	%	7.09	5.90	4.72
Total number of R&D personnel	Person	5,592	10,079	16,322
Including: R&D personnel with doctoral degree	Person	127	170	264
Including: R&D personnel with master's degree	Person	1,382	2,086	2,852

Customers' Rights and Interests

Indicator	Unit	2022
Satisfaction Ratio in Customer Satisfaction survey	%	88
Complaints about products and services	Number of cases	419
Complaint settlement ratio	%	100

Supply Chain Management

Indicator	Unit	2022
Total number of suppliers ¹	Number of suppliers	609
By region		
Chinese mainland	Number of suppliers	591
Hong Kong, Macao, Taiwan	Number of suppliers	3
Overseas	Number of suppliers	15
Number of new admitted suppliers having accepted sustainability impact assessment ²	Number of suppliers	145
Number of new suppliers selected from the sustainability dimensions ²	%	100

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

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

Supplier Training

Indicator	Unit	2020	2021	2022
Number of trainings on supply chain sustainable development knowledge	Number of events	19	21	51
Number of trainings on improving internal capacity of the supply chain ¹	Number of events	9	6	5
Number of suppliers participating in the trainings on improving internal capacity of the supply chain	Number of suppliers	38	36	36
Coverage of safety training for suppliers ²	%	/	100	100

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

2 The data covers the construction suppliers of the Company.

Due Diligence Management of Responsible Mineral Supply Chains

Indicator	Unit	2020	2021	2022
Number of suppliers accepting due diligence audits of responsible mineral supply chains	Number of suppliers	39	50	57

Employment

Indicator	Unit	2020	2021	2022
Total number of staff ¹	Person	33,078	83,601	118,914
By gender				
Female	%	21.80	22.99	23.49
Male	%	78.20	76.59	75.95
By age				
Under 30 years old	%	58.43	53.63	49.96
30 to 50 years old	%	40.65	45.60	49.19
Over 50 years old	%	0.62	0.36	0.30
By academic qualifications				
Proportion of employees with doctoral degree	%	0.44	0.23	0.24
Proportion of employees with master's degree	%	6.51	3.75	3.70
Proportion of employees with bachelor's degree	%	17.33	15.02	16.74
Proportion of employees with less than bachelor degree	%	75.72	81.00	78.77

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

Equality and Diversity

Indicator	Unit	2022
Management diversity		
By gender		
Female	%	16.67
Male	%	82.06

Indicator	Unit	2022
By age		
Under 30 years old	%	35.47
30 to 50 years old	%	62.51
Over 50 years old	%	0.76
Diversity of new employees		
By gender		
Female	%	23.45
Male	%	75.88
By age		
Under 30 years old	%	56.74
30 to 50 years old	%	42.48
Over 50 years old	%	0.11
Department employee diversity		
Proportion of female employees in revenue-generating departments ¹	%	16.15
Proportion of female employees engaged in STEM-related jobs ²	%	16.76

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

Employee Support

Indicator	Unit	2020	2021	2022
Times of Mutual Aid Fund Used	Times	69	97	164
Amount of Mutual Aid Fund Used	CNY 10,000	101.74	151.36	198.95

Employees' Parental Leave

Indicator	Unit	2022
Total number of employees taking the parental leave ¹	Person	2,502
Female	Person	848
Male	Person	1,654

Indicator	Unit	2022
Total number of employees returning to the post after the end of parental leave during the reporting period	Person	2,418
Female	Person	811
Male	Person	1,607

¹ CATL implements parental leave for the first time in 2022, so no employee has returned to the post for over 12 months. Therefore, the indicator of female and male employees who are still on the post for over 12 months after returning from the parental leave is not applicable by now.

Employee Training

Indicator	Unit	2021	2022
Employee training coverage			
Employee training coverage	%	93.50	99.80
By gender ¹			
Female	%	93.50	99.84
Male	%	93.50	99.77
By position level			
Junior employees	%	/	99.90
Junior management	%	/	99.75
Middle management	%	/	97.76
Senior management	%	/	67.05
Duration of employee training			
Average duration of training for employees	Hour	19.43	51.50
By gender ²			
Female	Hour	18.92	50.20
Male	Hour	19.59	51.90
By position level			
Junior employees	Hour	/	51.30
Junior management	Hour	/	78.40
Middle management	Hour	/	35.80
Senior management	Hour	/	8.10

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

² The average duration of trainings for employees divided by gender, age and position level = Duration of the training for employees in this category / number of employees in this category, same below.

Employee Performance Assessment

Indicator	Unit	2022
Proportion of employees accepting regular performance and career development assessment	%	100
By gender ¹		
Female	%	100
Male	%	100
By position level		
Junior employees	%	100
Junior management	%	100
Middle management	%	100
Senior management	%	100

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

Occupational Health and Safety

Indicator	Unit	2020	2021	2022
Number of major safety accidents and environmental pollution events	Number of cases	0	0	0
Number of safety drill activities	Times	293	3,124	4,652
Coverage of employee health and safety training	%	/	100	100

Social Public Welfare

Indicator	Unit	2022
Total investment in social public welfare ¹	CNY 10,000	18,395.80
Including: Charitable donation amount ^{1, 2}	CNY 10,000	17,450.10
Including: Rural revitalization investment ³	CNY 10,000	1,067.06
By investment sector		
Education support	CNY 10,000	11,535.69

Indicator	Unit	2022
Emergency rescue and disaster relief	CNY 10,000	5,581.04
Community development	CNY 10,000	1,039.07
Environmental protection	CNY 10,000	140.00
Cultural and sports undertakings	CNY 10,000	100.00

1 In 2022, CATL increased investment in education support, emergency rescue and disaster relief (see Table Community Communication and Emergency Response), leading to the increase of total investment in social public welfare and charitable donation. In 2022, the Top 3 public welfare projects with the largest donation amount include: Donating CNY 110 million to the Jiaocheng Charity Federation, for the construction of Chunfengli Campus of Primary School Affiliated to Ningde Normal University, CNY 50 million to the Red Cross Society of Ningde for the construction of local Center for Disease Control and Prevention and to Xiadang Village in Shouning County of Ningde, for support to certain areas, and CNY 7.7226 million to support the development of local characteristic industries.

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

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

Volunteer Service

Indicator	Unit	2020	2021	2022
Number of volunteer activities organized	Number of events	129	210	799
Number of volunteers participating in the activities	Person-time	5,919	12,175	12,893

Index Table

Report Index of Shenzhen Stock Exchange's Guidelines for Social Responsibility of Listed Companies

Contents	Chapters
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Article 3	Sustainable Development Strategies Corporate Governance
Article 4	Business Ethics Our Focus 2022: Making Steady Headway in Construction of the Integrity Management and Cultivating a Clean and Upright Corporate Ecosystem
Article 5	Sustainable Development Strategies About this Report
Article 7	Corporate Governance
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Article 27	Environmental Management System
Article 28	Environmental Management System
Article 29	Resource Management Management of Pollutant Discharge and Environmental
Article 30	Environmental Management System Management of Pollutant Discharge and Environmental
Article 31	Environmental Management System
Article 32	Creating Social Value Together
Article 33	Our Focus 2022: Pluralistic Integration, Drawing a "New Picture" of Rural Revitalization Creating Sustainable Culture Creating Social Value Together
Article 34	Materiality Assessment
Article 35	Sustainable Development Strategies About this Report Product Quality and Customer Service Management Environmental Management System
Article 36	Employee Rights and Benefits Creating Social Value Together

Report Index of Self-regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market

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9.1 Overview	Sustainable Development Strategies
9.2 Business Principles	Business Ethics Product Quality and Customer Service Management
9.3 Social Responsibility Strategic Planning and Mechanisms	Sustainable Development Strategies
9.4: (1)	Social responsibility system
9.4: (2)	Shortages and problems in implementing social responsibility
9.4: (3)	Improvements and specific timelines
9.5 Giving back to shareholders	Corporate Governance
9.6 Financial soundness	Corporate Governance ESG Quantitative Performance Table
9.7 Protection of employee rights	Employee Rights and Benefits

Contents	Chapters
9.8: (1)	Comply with environmental protection laws and industry standards
9.8: (2)	Environmental Protection Plan
9.8: (3)	Natural Resources Use
9.8: (4)	Pollutant disposal
9.8: (5)	Pollution prevention and control facilities
9.8: (6)	Payment of taxes related to environmental protection
9.8: (7)	Supply chain environmental security
9.8: (8)	Other environmental protection responsibilities
9.9: (1)	Environmental Protection Policy, Objectives and Results
9.9: (2)	Total resource consumption
9.9: (3)	Environmental investment and environmental technology development
9.9: (4)	Management of pollutant emissions
9.9: (5)	Construction and operation of environmental protection facilities
9.9: (6)	Waste treatment and disposal, recycling of waste products for comprehensive use
9.9: (7)	Voluntary agreements with environmental authorities
9.9: (8)	Rewards by environmental authorities
9.9: (9)	Other voluntary disclosures
9.10 Environmental Protection Policy Implementation	
9.11 Disclosure of Environmental Information	
9.12: (1)	Product safety laws and industry standards
9.12: (2)	Production environment and process
9.12: (3)	Product quality and safety mechanism and accident response plan

Contents		Chapters
9.12: (4)	Other production and product safety responsibilities	Product Quality and Customer Service Management
9.13: (1)	Employee management system and measures to deal with irregularities	Employee Rights and Benefits
9.13: (2)	Occupational hazards and safety measures	Occupational Health and Safety
9.13: (3)	Employee Training	Talent Acquisition and Development
9.13: (4)	Other employee protection responsibilities	Our Focus 2022: Enjoying Life and Work, Building a Platform for Psychological and Material Prosperity Employee Rights and Benefits Talent Acquisition and Development Occupational Health and Safety
9.14	Ethics of science	Our Focus 2022: Powering Green Ecosystem Transformation through Advanced Technology Green R&D and Innovation
9.15	Supervision and inspection	Materiality Assessment

GRI Standards Index

Statement of use	CATL has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No industry standards in use

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation

General Disclosures

GRI 2: General Disclosures 2021	2-1 Organizational details	Overview of CATL	N/A		
	2-2 Entities included in the organization's sustainability reporting	About this Report			
	2-3 Reporting period, frequency and contact point	About this Report			
	2-4 Restatements of information	ESG Quantitative Performance Table			
	2-5 External assurance	Independent Assurance Statement			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Overview of CATL Product Quality and Customer Service Management Reinforcing Supply Chain Quality About this Report			
	2-7 Employees	ESG Quantitative Performance Table			
	2-8 Workers who are not employees	Employee Rights and Benefits ESG Quantitative Performance Table			
	2-9 Governance structure and composition	Corporate Governance			
	2-10 Nomination and selection of the highest governance body	Corporate Governance			
	2-11 Chair of the highest governance body	Corporate Governance (Please refer to the Company's 2022 Annual Report for details)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Materiality Assessment			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance			
	2-14 Role of the highest governance body in sustainability reporting	Materiality Assessment About this Report			
	2-15 Conflicts of interest	Corporate Governance (Please refer to the Company's 2022 Annual Report for details)			
	2-16 Communication of critical concerns	Sustainable Development Strategies Materiality Assessment			
	2-17 Collective knowledge of the highest governance body	Sustainable Development Strategies			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	2-18-b 2-18-c	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
	2-19 Remuneration policies	Corporate Governance			
	2-20 Process to determine remuneration	Corporate Governance			
	2-21 Annual total compensation ratio	Omission	2-21-a 2-21-b 2-21-c	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
	2-22 Statement on sustainable development strategy	Message from the Chairman			
	2-23 Policy commitments	Business Ethics			
	2-24 Embedding policy commitments	Business Ethics			
	2-25 Processes to remediate negative impacts	Business Ethics			
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics			
	2-27 Compliance with laws and regulations	Please see the individual sections of the report for details			
	2-28 Membership associations	Please see the individual sections of the report for details			
	2-29 Approach to stakeholder engagement	Materiality Assessment			
	2-30 Collective bargaining agreements	Omission	2-30-a 2-30-b	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information

Material Topics

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment			N/A
	3-2 List of material topics	Materiality Assessment			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Corporate Governance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Corporate Governance ESG Quantitative Performance Table			
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change	201-2-a-iii 201-2-a-iv	Confidentiality constraints	Due to internal confidentiality considerations, the quantified financial impacts of climate-related risks and opportunities, as well as the costs of corresponding actions to be taken, are withheld from public disclosure.
	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits	201-3-a 201-3-b 201-3-c 201-3-d	Information unavailable	Such information is not yet available and so 201-3 cannot be fully disclosed
	201-4 Financial assistance received from government	Omission	201-4-a 201-4-b 201-4-c	Information unavailable	Such information is not yet available so 201-4 cannot be fully disclosed
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Creating Social Value Together			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Creating Social Value Together			
	203-2 Significant indirect economic impacts	Creating Social Value Together			

Procurement Practices

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Reinforcing Supply Chain Quality Building a Responsible Supply Chain			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Omission	204-1-a 204-1-b 204-1-c	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Business Ethics			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics ESG Quantitative Performance Table			
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics			
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics			
Anti-competitive Behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Business Ethics			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Responding to Climate Change Green Production			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Quantitative Performance Table During the reporting period, the Company did not involve the use of fuels from renewable energy sources.	302-1-c	Confidentiality constraints	Energy consumption for each type of energy source will not be disclosed at this time.
			302-1-d	Not applicable	The Company's operations do not include the sale of energy generated from internal sources.

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Omission	302-2-a 302-2-b 302-2-c	Information unavailable	Due to the number of business relationships and value chain segments involved, it costs too much to accurately quantify the actual external energy consumption.
	302-3 Energy intensity	ESG Quantitative Performance Table			
	302-4 Reduction of energy consumption	Green Production The quantification of reduction of energy consumption was carried, of which baseline is demarcated with the energy consumption level prior to the implementation of energy-saving projects, in accordance with the "General Rules for Comprehensive Energy Consumption Calculation" (GB/T 2589-2020), and the amount of annual energy savings is calculated.			
	302-5 Reductions in energy requirements of products and services	Omission	302-5-a 302-5-b 302-5-c	Information unavailable	The flow and usage scenarios of the Company's main products and services are rather complex, making it difficult to accurately quantify the reductions in energy requirements at the use stage. During the reporting period, the Company developed and provided green products and services aiming at reducing energy consumption at the use stage.
	Water and Effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Resource Management Management of Pollutant Discharge and Environmental			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Management Management of Pollutant Discharge and Environmental The main organizations within the Company's value chain do not involve significant impact on water resources, therefore the Company has not yet collaborated with suppliers or customers to manage the impact related to water resources. Additionally, the Company has not established publicly available goals related to water resources.			
	303-2 Management of water discharge-related impacts	Management of Pollutant Discharge and Environmental			
	303-3 Water withdrawal	ESG Quantitative Performance Table	303-3-a 303-3-b 303-3-c	Information incomplete	Currently the Company only records the total water withdrawal. The amount of water withdrawal categorized by source (freshwater or other sources), and the amount of water withdrawal in areas with water stress have not been accurately quantified.
	303-4 Water discharge	Omission	303-4-a 303-4-b 303-4-c 303-4-d	Information unavailable	The total water discharge has not yet been quantified.
	303-5 Water consumption	The Company does not involve any direct or indirect impacts on water resources caused by changes in water storage.	303-5-a 303-5-b 303-5-d	Information unavailable	The total water consumption has not yet been quantified.
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Responding to Climate Change			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Quantitative Performance Table Currently, the Company only quantifies CO ₂ emissions, so the selection of GWP is not applicable; The Company does not involve any biogenic CO ₂ emissions during the reporting period. The Company has provisionally set the verified emissions in 2021 as the baseline year data. During the reporting period, there were no significant changes that exceeded the recalculation threshold compared to the baseline year data. The Company uses the operational control method to calculate the production bases of all subsidiaries that produce battery products. The Company will further expand the scope of GHG accounting.			
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Quantitative Performance Table The information about types of gases involved, biogenic emissions, baseline year, GWP selection, and consolidation methods are the same as those in 305-1.			
	305-3 Other indirect (Scope 3) GHG emissions	Omission	305-3-a 305-3-b 305-3-c 305-3-d 305-3-e 305-3-f 305-3-g	Information unavailable	The business relationships and value chain involved information are highly complex, making Scope 3 emissions difficult to be quantified comprehensively. The Company has already identified some material Scope 3 emission categories and has calculated and verified such Scope 3 emissions in specific sites. Further information will be disclosed once the verification statement from third party has been obtained.

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-4 GHG emissions intensity	ESG Quantitative Performance Table			
	305-5 Reduction of GHG emissions	Green Production When quantifying the cumulative reduction of GHG emissions from energy-saving projects throughout this year, only CO ₂ emissions were considered for convenience, and the quantification involves both Scope 1 and Scope 2 emissions. The quantification is based on General guideline of the greenhouse gas emissions accounting and reporting for industrial enterprises (GB/T 32150-2015) and Methodology and Reporting Guidelines for Greenhouse Gas Emissions Accounting in Enterprises - Power Generation Facilities (Draft for Comment) (2022).			
	305-6 Emissions of ozone-depleting substances (ODS)	Omission	305-6-a 305-6-b 305-6-c 305-6-d	Not applicable	During the reporting period, the Company does not involve any significant emissions of ODSs such as refrigerants, thus quantification of such emissions has not yet been conducted.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Management of Pollutant Discharge and Environmental ESG Quantitative Performance Table The quantification of significant atmospheric pollutants are based on relevant national, local and/or industry standards such as Emission standard of pollutants for battery industry (GB 30484-2013), and directly quantified with actual measurement values obtained from the Company's environmental monitoring process.	305-7-a	Information incomplete	The main type of SO _x emissions released during the production of EV battery products is SO ₂ (which is also the key pollutant which key pollutant-discharging entities is obliged to control according to relevant regulations). Therefore, only SO ₂ emissions are quantified and disclosed. Due to the lack of domestic standardized statistical methods, VOC and HAP emissions have not yet been quantified.
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Management of Pollutant Discharge and Environmental			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Management of Pollutant Discharge and Environmental During the reporting period, both non-hazardous industrial solid waste and hazardous waste generated by the Company were disposed by qualified units in compliance with relevant regulations. Assessment has been conducted and determined that inputs, activities, and outputs of such waste have not caused, or have the potential to cause, any direct or potential impacts on the environment and society. The municipal solid waste generated by the Company was disposed after classified collection and centralized treatment processes, which has not caused any relevant environmental and social impacts either.			
	306-2 Management of significant waste-related impacts	Management of Pollutant Discharge and Environmental			
	306-3 Waste generated	Environmental Management System ESG Quantitative Performance Table			
	306-4 Waste diverted from disposal	ESG Quantitative Performance Table Based on the actual production and disposal process of solid waste within the Company, "non-hazardous industrial solid waste" refers to non-hazardous waste, while "hazardous waste" refers to any waste that meets the characteristics listed in Annex III of Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Since the proportion of municipal solid waste generated by the Company is relatively small and has not had a substantial impact on the environment, it has not yet been quantified. The same applies to the following topics, similarly hereinafter.	306-4-b	Information unavailable	The detailed data of hazardous waste diverted from disposal breakdown by recovery operations has not yet been quantified.

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-5 Waste directed to disposal	ESG Quantitative Performance Table All solid waste generated by the Company and directed to disposal are disposed off-site by third-party vendors.	306-5-b-i/ii 306-5-c-i/ii	Information unavailable	The amount of non-hazardous industrial solid waste and hazardous waste disposed by incineration has been disclosed, whereas the breakdown of which by being incinerated with/without energy recovery is rather difficult to trace.
Supplier Environmental Assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Building a Responsible Supply Chain			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Quantitative Performance Table			
	308-2 Negative environmental impacts in the supply chain and actions taken	Building a Responsible Supply Chain ESG Quantitative Performance Table	308-2-b 308-2-c 308-2-d 308-2-e	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topic	Materiality Assessment Employee Rights and Benefits Talent Acquisition and Development			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Quantitative Performance Table	401-1-b	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits			
	401-3 Parental leave	Employee Rights and Benefits ESG Quantitative Performance Table			
Labor/Management Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Employee Rights and Benefits			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omission	402-1-a 402-1-b	Information unavailable	This information is not yet available and cannot be fully disclosed
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Occupational Health and Safety Unless otherwise specified, the information disclosed by the Company regarding Occupational Health and Safety issues only pertains to employees who have an employment relationship with the Company.			
GRI 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	403-2-c	Information unavailable	This information is not yet available and cannot be fully disclosed
	403-3 Occupational health services	Occupational Health and Safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Employee Rights and Benefits			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Employee Rights and Benefits			
	403-8 Workers covered by an occupational health and safety management system	Omission By the end of the reporting period, 100% of the production bases with stable operation and certification qualification have passed the ISO 45001:2018 occupational health and safety management system certification, and other bases under construction or newly built have also actively invested in the construction of ISO 45001 occupational health and safety management system.	403-8-a 403-8-b 403-8-c	Information unavailable	This information is not yet available and cannot be fully disclosed
	403-9 Work-related injuries	Occupational Health and Safety	403-9-a-i/ii/iv/v 403-9-c	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
	403-10 Work-related ill health	Occupational Health and Safety	403-10-a 403-10-b 403-10-d 403-10-e	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
	Training and Education				
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Talent Acquisition and Development			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Quantitative Performance Table			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Acquisition and Development			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Quantitative Performance Table			
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Employee Rights and Benefits			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Quantitative Performance Table			
	405-2 Ratio of basic salary and remuneration of women to men	Omission	405-2-a 405-2-b	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Employee Rights and Benefits			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Benefits			
Child Labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Employee Rights and Benefits			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Benefits Building a Responsible Supply Chain			
Forced or Compulsory Labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Employee Rights and Benefits			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Benefits Building a Responsible Supply Chain			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment Creating Social Value Together			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Omission	413-1-a	Information unavailable	This information is not yet available and cannot be fully disclosed
	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental Management System Resource Management Management of Pollutant Discharge and Environmental Creating Social Value Together ESG Quantitative Performance Table			
Supplier Social Assessment					
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Materiality Assessment Building a Responsible Supply Chain			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Quantitative Performance Table			
	414-2 Negative social impacts in the supply chain and actions taken	Building a Responsible Supply Chain ESG Quantitative Performance Table	414-2-b 414-2-c 414-2-d 414-2-e	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
Customer Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Materiality Assessment Product Quality and Customer Service Management			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
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 testing for potential quality issues at each stage to ensure product quality.			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Omission	416-2-a 416-2-b	Confidentiality constraints	Withheld from public disclosure due to the confidentiality of information
Customer Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment 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			

UN SDGs Index

SDGs	Chapters
 <p>1 No Poverty 1.5 1.a 1.b</p>	Our Focus 2022: Pluralistic Integration, Drawing a "New Picture" of Rural Revitalization
 <p>4 Quality Education 4.1 4.3 4.7 4.b</p>	Our Focus 2022: Pluralistic Integration, Drawing a "New Picture" of Rural Revitalization Talent Acquisition and Development Creating Social Value Together
 <p>7 Affordable and Clean Energy 7.2 7.3 7.a</p>	Our Focus 2022: Powering Green Ecosystem Transformation through Advanced Technology Green R&D and Innovation Green Production ESG Quantitative Performance Table
 <p>8 Decent Work and Economic Growth 8.2 8.4 8.5 8.7 8.8</p>	Our Focus 2022: Powering Green Ecosystem Transformation through Advanced Technology Our Focus 2022: Enjoying Life and Work, Building a Platform for Psychological and Material Prosperity Green R&D and Innovation Green Production Employee Rights and Benefits
 <p>9 Industry, Innovation and Infrastructure 9.4 9.5 9.b</p>	Our Focus 2022: Powering Green Ecosystem Transformation through Advanced Technology Green R&D and Innovation Green Production
 <p>12 Responsible Consumption and Production 12.2 12.4 12.5 12.6 12.8</p>	Green Production Resource Management Battery Recycling Management of Pollutant Discharge and Environmental Building a Responsible Supply Chain Creating Sustainable Culture About this Report
 <p>13 Climate Action 13.1 13.3</p>	Our Focus 2022: Powering Green Ecosystem Transformation through Advanced Technology Responding to Climate Change Building a Responsible Supply Chain Creating Sustainable Culture

Appendix

Appendix 1: Glossary

To assist stakeholders in better understanding the information disclosed in this Report, the following table explains the abbreviations of importance appearing in this Report in alphabetical order.

Abbreviations	Explanation
A	
AGV	Automated Guided Vehicle
APQP	Advanced Product Quality Planning
ARF	Activation Resonance Fuel Energy Saving Appliance
B	
BAM	<i>Bundesanstalt für Materialforschung und -prüfung</i>
BEV	Battery Electric Vehicle
BMS	Battery Management System
C	
C.A.R.E.	Cohesion, Action, Respect & Empathy
CAHRA	Conflict-Affected and High-Risk Areas
CBAM	Carbon Border Adjustment Mechanism
CCCMC	China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
CTP	Cell to Pack
CFMS	CATL Facility Management System
CNAS	China National Accreditation Service for Conformity Assessment
COD	Chemical Oxygen Demand
COP27	The 27 th Conference of the Parties to the UNFCCC
CREDIT	Carbon Footprint, Recycling, Energy, Due Diligence, Innovation & Transparency
CSA	Corporate Sustainability Assessment
CTEAS1001-2017	Code of Practice for the Evaluation of Certification of the Completeness of Customer Service Systems
D	
DI	Deionization
DPI	Deep Packet Inspection
DPM	Digital Performance Management

Abbreviations	Explanation
E	
EAP	Employee Assistance Program
ECR	Error Cause Remove
EDI	Electro-deionization
EDIS	Engineering Data Intelligent System
EHS	Environment, Health & Safety
ELV	End-of-Life Vehicle (2000/53/EC)
EMS	Energy Management System
EPD	Environmental Product Declaration
F	
FA	Failure Analysis
FIS	Factory Information System
FMEA	Failure Mode and Effects Analysis
G	
GBA	Global Battery Alliance
GDPR	General Data Protection Regulation (REGULATION (EU) 2016/67)
GHG Protocol	The Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition)
GLN	Global Lighthouse Network
GO	Guarantees of Origins
GRI	Global Reporting Initiative
GSS	Global Service System
H	
HDPE	High Density Polyethylene
HEV	Hybrid Electric Vehicle
I	
IATF 16949: 2016	IATF 16949:2016 - Quality management system requirements for automotive production and relevant service parts organisations
ISO 37001:2016	ISO 37001:2016 - Anti-bribery management systems
ISO 14001:2015	ISO 14001:2015 - Environmental management systems
ISO 14044:2006	ISO 14044:2006 - Environmental management — Life cycle assessment — Requirements and guidelines
ISO 14064-1:2018	ISO 14064-1:2018 - Greenhouse gases — Part 1
ISO 14067:2018	ISO 14067:2018 - Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification

Abbreviations	Explanation
ISO 45001:2018	ISO 45001:2018 - Occupational health and safety management systems — Requirements with guidance for use
ISO 50001:2018	ISO 50001:2018 - Energy management systems
ISO 9001:2015	ISO 9001:2015- Quality management systems-Requirements
IP	Intellectual Property
IPD	Integrated Product Development
I-Rec	International Renewable Energy Certificate
K	
KYS	Know Your Supplier
L	
LCA	Life Cycle Assessment
M	
MES	Manufacturing Execution System
N	
NFC	Near Field Communication
NH ₃ -N	Ammoniacal Nitrogen
NMHC	Non-Methane Hydrocarbon
NMP	N-Methylpyrrolidone
O	
OECD	Organization for Economic Co-operation and Development
P	
PAS 2060:2014	PAS 2060:2014 - Specification for the demonstration of carbon neutrality
PDS	Project Driven Score System
PEFCRs	Product Environmental Footprint Category Rules
PHEV	Plug-in Hybrid Electric Vehicle
PM	Particulate Matter
PPAP	Production Part Approval Process
Q	
QC	Quality Control
QCC	Quality Control Circle
QFD	Quality Function Deployment
R	

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

Appendix 2: Comparison table of company names and abbreviations

Full name of the company and subsidiaries	Abbreviations in the report
Contemporary Amperex Technology Co., Limited	CATL* ¹
Qinghai Contemporary Amperex Technology Limited	CATL-QH
Jiangsu Contemporary Amperex Technology Limited	CATL-JS
United Auto Battery Co., Ltd.	UABC
Dongfeng Amperex (Wuhan) Battery System 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 Battery Co., Limited	CGEC
Fuding Contemporary Amperex Technology Limited	CATL-FD
Jiaocheng Contemporary Amperex Technology Limited	CATL-JC
Ruiqing Contemporary Amperex Technology Limited	CATL-RQ
Guangdong Brunp Recycling Technology Co.,Ltd.	Guangdong Brunp
Hunan Brunp Recycling Technology Co.,Ltd.	Hunan Brunp
LONGYAN SICONG Advanced Materials Technology Limited	LONGYAN SICONG
CATL-SICONG Advanced Materials Technology Limited	CATL-SICONG

¹ In order to distinguish the main body of the report from the CATL factory of CATL, the term "CATL*" is used in the text to refer to the CATL factory of CATL, including the three sites in HD, HX and Z.

Appendix 3: Details about Pollutants from Discharge and Emissions and Environmental Protection Administrative License of Major Entities under Environmental Regulation in 2022

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

Details about Pollutants from Discharge and Emissions in 2022

Name of Company or subsidiary	Category of major and specific pollutants	Name of major and specific pollutants	Discharge/Emission pattern	Number of outlets	Distribution of outlets	Average concentration	Discharge/Emission standards	Annual total emissions	Approved annual total emissions	Excessive discharge/emission
CATL*	Water pollutants	Chemical oxygen demand (COD)	Indirect discharge	3	CATL Ningde Production Base	42 mg/L	150 mg/L, the standard of indirect discharge amount in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	6.714 tonnes/year	16.42 tonnes/year	None
	Water pollutants	Ammonia nitrogen (NH ₃ -N)	Indirect discharge	3	CATL Ningde Production Base	1.38 mg/L	30 mg/L, the standard of indirect discharge amount in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB 30484-2013)	0.671 tonnes/year	2.2 tonnes/year	None
	Air pollutants	Nitrogen oxides (NO _x)	Organized emission	28	CATL Ningde Production Base	66 mg/m ³	200 mg/m ³ , the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)	109.618 tonnes/year	232.23 tonnes/year	None
	Air pollutants	Sulphur dioxide (SO ₂)	Organized emission	28	CATL Ningde Production Base	3 mg/m ³	50 mg/m ³ , the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)	2.752 tonnes/year	39.25 tonnes/year	None
Hunan Brunp	Water pollutants	Chemical oxygen demand (COD)	Indirect discharge	2	Hunan Brunp Ningxiang Production Base	103 mg/L	500 mg/L, grade 3 in the Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996)	35.339 tonnes/year	121.21 tonnes/year	None
	Water pollutants	Ammonia nitrogen (NH ₃ -N)	Indirect discharge	2	Hunan Brunp Ningxiang Production Base	3.55 mg/L	45 mg/L, grade B in the Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers	2.856 tonnes/year	22.10 tonnes/year	None
	Air pollutants	Nitrogen oxides (NO _x)	Organized emission	1	Hunan Brunp Ningxiang Production Base	26 mg/m ³	240 mg/m ³ , grade 2 in the Table 2 of the Integrated Emission Standard of Air Pollutants (GB 16297-1996)	2.695 tonnes/year	4.45 tonnes/year	None

Name of Company or subsidiary	Category of major and specific pollutants	Name of major and specific pollutants	Discharge/Emission pattern	Number of outlets	Distribution of outlets	Average concentration	Discharge/Emission standards	Annual total emissions	Approved annual total emissions	Excessive discharge/emission
Hunan Brunp	Air pollutants	Sulphur dioxide (SO ₂)	Organized emission	1	Hunan Brunp Ningxiang Production Base	3 mg/m ³	850 mg/m ³ , grade 2 in the Table 4 of the Emission Standard of Air Pollutants from Industrial Kiln and Furnace (GB 9078-1996)	0.358 tonnes/year	3.81 tonnes/year	None
Guangdong Brunp	Water pollutants	Chemical oxygen demand (COD)	Indirect discharge	1	Guangdong Brunp Foshan Production Base	35 mg/L	50mg/L, the standard of direct discharge amount in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)	0.728 tonnes/year	1.07 tonnes/year	None
	Water pollutants	Ammonia nitrogen (NH ₃ -N)	Indirect discharge	1	Guangdong Brunp Foshan Production Base	2.12 mg/L	10mg/L, the standard of direct discharge amount in Table 1 of the Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)	0.044 tonnes/year	0.21 tonnes/year	None
LONGYAN SICONG	Water pollutants	Chemical oxygen demand (COD)	Indirect discharge	1	LONGYAN SICONG Longyan Production Base	107 mg/L	500 mg/L, grade B in the Table 1 of Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.176 tonnes/year	0.34 tonnes/year	None
	Water pollutants	Ammonia nitrogen (NH ₃ -N)	Indirect discharge	1	LONGYAN SICONG Longyan Production Base	11.05 mg/L	45 mg/L, grade B in the Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.016 tonnes/year	0.024 tonnes/year	None
CATL-SICONG ¹	Water pollutants	Chemical oxygen demand (COD)	Indirect discharge	1	CATL-SICONG Longyan Production Base	30 mg/L	200 mg/L, the standard in Table 1 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)	0.146 tonnes/year	6.831 tonnes/year	None
	Water pollutants	Ammonia nitrogen (NH ₃ -N)	Indirect discharge	1	CATL-SICONG Longyan Production Base	0.54 mg/L	40 mg/L, the standard in Table 1 of Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015)	0.005 tonnes/year	0.683 tonnes/year	None
	Air pollutants	Nitrogen oxides (NO _x)	Organized emission	1	CATL-SICONG Longyan Production Base	26 mg/m ³	200 mg/m ³ , the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)	1.005 tonnes/year	16.506 tonnes/year	None
	Air pollutants	Sulphur dioxide (SO ₂)	Organized emission	1	CATL-SICONG Longyan Production Base	3 mg/m ³	50 mg/m ³ , the standard of gas boiler in Table 2 of the Emission Standard of Air Pollutants for Boiler (GB 13271-2014)	0.065 tonnes/year	1.118 tonnes/year	None

¹CATL-SICONG started small-scale trial production in 2022 and has not yet mass produced as at the end of the reporting period. The pollutants in the above table are presented based on its monitoring data under stable working conditions.

Details about Environmental Protection Administrative License in 2022

Name of Company or subsidiary	No. of the License	Contents approved	Acquisition Time
CATL*	Ning Dong Qiao Huan Ping [2022]No.3	Environmental Impact Form for CATL* HX Base Lithium-ion Battery Production Expansion Project (Phase IV)	April 21, 2022
	Min Huan Fu Ping [2022] No.3	Environmental Impact Form for Relocation of 5 Industrial CT Machines	January 11, 2022
	Min Huan Fu Ping [2022] No.18	Environmental Impact Form for CATL* HX Base Project about 1 NDT Equipment	April 19, 2022
	Min Huan Fu Zheng [00330]	Extension of Radiation Safety Permit	October 18, 2022
	91350900587527783p002U	Sewage Discharge License for CATL* HD Base	September 14, 2022
	91350900587527783p003Q	Sewage Discharge License for CATL* HX Base	September 14, 2022
	91350900587527783p004U	Sewage Discharge License for CATL* HZ Base	January 27, 2022
Hunan Brung	Chang Huan Ping (Ningxiang)[2022] No.38	Environmental Impact Report for Sodium Cathode Pilot Project	April 2, 2022
	Chang Huan Ping (Ningxiang)[2022] No.55	Environmental Impact Report for Lithium Carbonate Conversion and Expansion Project (M40 Major Change)	June 13, 2022
	Chang Huan Ping (Ningxiang)[2022] No.106	Environmental Impact Report for Quality Improvement Project at Base No.1	November 4, 2022
	(Xiang) CS-WH An Xu Zheng Zi [2022] No.HI-08	Work Safety Permit	March 14, 2022
Hunan Brung	914301246707605788001X	Sewage Discharge Permit for Base No.1	November 7, 2022
	914301246707605788002V	Sewage Discharge Permit for Base No.2	October 30, 2022
	914301246707605788003V	Sewage Discharge Permit for Base No.3	October 10, 2022
Guangdong Brung	Fo Huan San Fu [2022] No.39	Environmental Impact Report for the Pilot Laboratory Relocation and Expansion Project	April 26, 2022
	Fo Huan San Fu [2022] No.44	Environmental Impact Report for the New R&D Base Project	May 7, 2022
	Fo Huan San Fu [2022] No.60	Environmental Impact Form for the High Nickel EV Battery Cathode Material Industry-related Project	July 14, 2022
	Fo Huan San Fu [2022] No.80	Environmental Impact Report for Brung's Global R&D Centre and Innovation Headquarters Construction Project	October 14, 2022
	91440600782992365C002W	Registration Receipt for Stationary Source at R&D Base	May 16, 2022
	91440600782992365C003W	Registration Receipt for Stationary Source at Project (Phase II)	August 8, 2022
LONGYAN SICONG	No License applied in 2022	/	/
CATL-SICONG	Long Huan Shen [2022] No.324	Environmental Impact Report for Lithium Salt Precursor Pilot Production Project	December 15, 2022
	91350823MA32QFQB2T	Sewage Discharge Permit	January 28, 2022

Independent Assurance Statement



Independent Assurance Statement

Introduction:

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

The intended users of this assurance statement are stakeholders having relevance to the CATL's overall sustainability performance and impacts of its business activities during 2022 (1 January 2022 ~ 31 December 2022). TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the fields of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and not been involved in the preparation of the ESG Report contents.

Assurance Standard:

The Independent Assurance was implemented in accordance with the AA1000 Assurance Standard (AA1000AS v3), covering defined principles of Inclusivity, Materiality, Responsiveness and Impact.

Scope & Type of Assurance:

The assurance engagement covers the following:

- Reporting in accordance with the GRI Standards 2021, and information and data related to economics, environment & social, and material topics and sustainability performance disclosed in the ESG Report, also defined within reporting boundaries.
- Evaluation of disclosed information and data in the ESG Report as per the Assurance Standards.
- Type-1 and Moderate Level as per AA1000AS v3.

Limitations:

The assurance was conducted based on a moderate level of assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the content of the ESG Report. We did not assess and verify some disclosures in the ESG report for the reasons provided by CATL for omission that information were confidentiality constraints and information incomplete.



The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

Assurance Methodology:

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

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

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

Adherence to the AA1000AS v3:

Inclusivity:

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

Materiality:

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

Responsiveness:

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

Impact:

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

Conclusion:

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

- CATL's 2022 ESG Report meets the requirement of Type-1, Moderate Level according to the AA1000AS v3, and follows the requirements of reporting in accordance with GRI Standards 2021.
- The ESG Report includes statements and claims that can reflect the CATL's sustainability achievements and challenges supported by its documentary evidence and internal records.
- The performance data disclosed in the ESG Report are collected, stored and analyzed in a systematic and professional manner and were plausible.
- TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision about the CATL based on this Assurance Statement.



Daniel Pan

Corporate Sustainability Service Technical Manager

TÜV Rheinland (Guangdong) Ltd.

10 Feb 2023, Guangzhou, China

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CATL

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