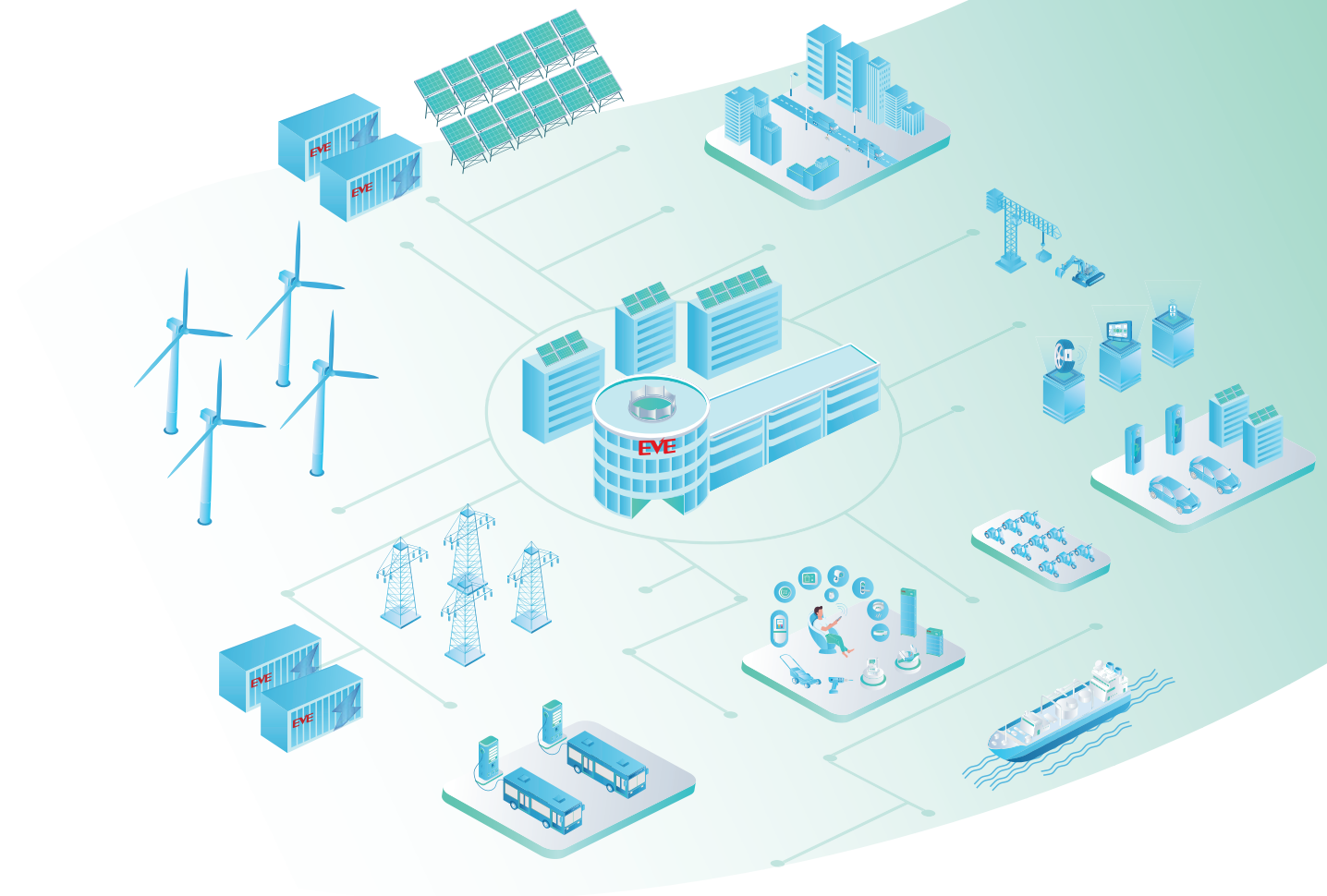


2022

SOCIAL RESPONSIBILITY REPORT



Mission | Reliable and harmonious development

Vision | To be the most creative Lithium battery company, and make outstanding contributions to sustainable development



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About the Report

This is the second annual social responsibility report released by EVE Energy Co., Ltd. (hereinafter referred to as "EVE", "the Company" or "we"). We are committed to assuring the accuracy, relevance, impartiality and completeness of the Report, which describes our and our domestic subsidiaries' management practices and performances in terms of the environment, society and governance during 2022.

Basis of Preparation

The Report was prepared based on the Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.2-Standardized Operation of Companies Listed in the Second Board Market, with reference to the GRI Standards and in combination with the actual conditions of the Company.



Subjects of the Report

Unless otherwise specified, the Report covers EVE and its domestic subsidiaries. Compared with the preceding reporting period, 5 more domestic subsidiaries have been included in the Report.

- Guangdong EVCENS New Energy System Co., Ltd. ("EVCENS")
- Huizhou Jinyuan Precision Automation Equipment Co., Ltd. ("Huizhou Jinyuan")
- EVE Hyperpower Batteries Inc. ("EVE Hyperpower")
- EVE United Energy Co., Ltd. ("EUE")
- Huizhou EVE Power Co., Ltd. ("Huizhou EVE Power")
- EVE Power Co., Ltd. ("EVE Power")
- EVE Innovation Energy Co., Ltd. ("EVE Innovation Energy")
- Wuhan Fanso Technology Co., Ltd. ("Fanso")
- EVE Energy Storage Co., Ltd. ("EVE Energy Storage")
- Ningbo EVE Hyperpower Batteries Co., Ltd. ("Ningbo EVE")
- EVE-Linyang Energy Storage Technology Company Limited ("EVE-Linyang")
- Jinhai Lithium (Qinghai) Co., Ltd. ("Jinhai Lithium")
- Chengdu EVE Energy Co., Ltd ("Chengdu EVE")
- Yuxi EVE Energy Co., Ltd. ("Yuxi EVE")
- Qujing EVE Energy Co., Ltd. ("Qujing EVE")
- Qinghai EVE Energy Co., Ltd. ("Qinghai EVE")
- Shenyang EVE Energy Co., Ltd. ("Shenyang EVE")

Reporting Period

From January 1, 2022 to December 31, 2022. To improve the completeness of the Report and appropriately extend the reporting period in respect of certain contents. The reporting period and release time of the Report are the same as those of the annual report. The preceding year's report was issued in April 2022.

Data Source

The financial data herein has been taken from the 2022 annual report of EVE Energy Co., Ltd. audited by RSM (Special General Partnership). Other data has been obtained from the statistics and summaries of our related departments.

Unless otherwise specified, all monetary amounts herein are denominated in RMB.

Contact Information

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Form of Release

The electronic and paper versions of the Report have been released at the same time. 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. The report is available for readers to download and view on our website (www.evebat-tery.com), or for more details of the Report, please contact us via the email address below.

Message from the Chairman



Despite the volatile international environment, it has become even more evident that significant developments will be achieved in the global new energy market. China's carbon peaking and carbon neutrality goals have contributed to the certainty of the development, and promoted the growth of the entire industry chain under a completely open environment. In the Guiding Opinions on Promoting Development in the Industry of Energy Electronics jointly released by six ministries and commissions of China, it was proposed that the industry of energy electronics is a new industry which has emerged and swiftly developed for the integration and innovation of electronic information technologies and demands for new energies, and it will become an important driving force for the energy revolution. As a new energy company actively responding to and implementing the national development strategies, EVE will continue to balance the development of business scale and achieve coordinated development in the industry chain.

We promote our sustainable production management through ultimate manufacturing. EVE attaches importance to reducing energy consumption in all of its operating activities. While continuously expanding our production capacity and scale, we are dedicated to safe, efficient and green production. We have purchased green power and expanded our photovoltaic rooftop installations to reduce our emissions of greenhouse gases and pollutants in the production process by means of continuous energy optimization and smart digital operations. We will also continue to increase our investment in R&D. In the course of developing fast charging and lightweight products, we hope to make greener and more low-carbon high-quality products available to society, in order to develop hydrogen technologies and truly explore pure green new energies.

We make every effort to create and share value with our employees and society. This era has provided historical opportunities for development in new energy businesses and facilitated our rapid development. Having never forgotten the trust and support we received from society, we always combine our development with our social responsibilities. With great enthusiasm for education and public welfare undertakings, we make significant contributions to building a harmonious society. We firmly believe that employees are fundamental for creating value and driving innovation. Therefore, we have founded the EVE Research Institute for Talent Cultivation and Promotion. By improving our organizational structure and our human resource system, we have created a harmonious, proactive and inclusive atmosphere, and set up platforms for the company's joint development with that of its individuals.

Being trustworthy and reliable, we coordinate harmonious development within the industry chain. EVE is dedicated to creating an accountable and sustainable value chain of products through responsible sourcing, smart green manufacturing, green transportation, sustainable resource management and efficient resource utilization. For low-carbon management of batteries throughout their entire life-cycles, we have developed low-carbon and environmental-friendly recycling technologies for waste lithium batteries. By actively expanding our external cooperation in terms of resource recycling, technologies and the industry chain, we have created a green supply chain for the circular economy of "waste lithium batteries - chemical materials - battery materials - lithium batteries". In this way, we have created a win-win situation in terms of economic benefits, as well as environmental and social value.

We believe 2022 was a critical year for our success, and that 2023 will be a year for making further accomplishments.

2022 was a fruitful year, whereas 2023 is a more prospective year. Over the past two decades, we have concentrated on "making the best lithium batteries in the world" and "taken the lead in the industry". In the future, we will continue "striving to become the most creative manufacturer of lithium batteries". We will make outstanding contributions to the sustainable development of mankind with the entire industry and with society at large.

Chairman of EVE Energy Co., Ltd.

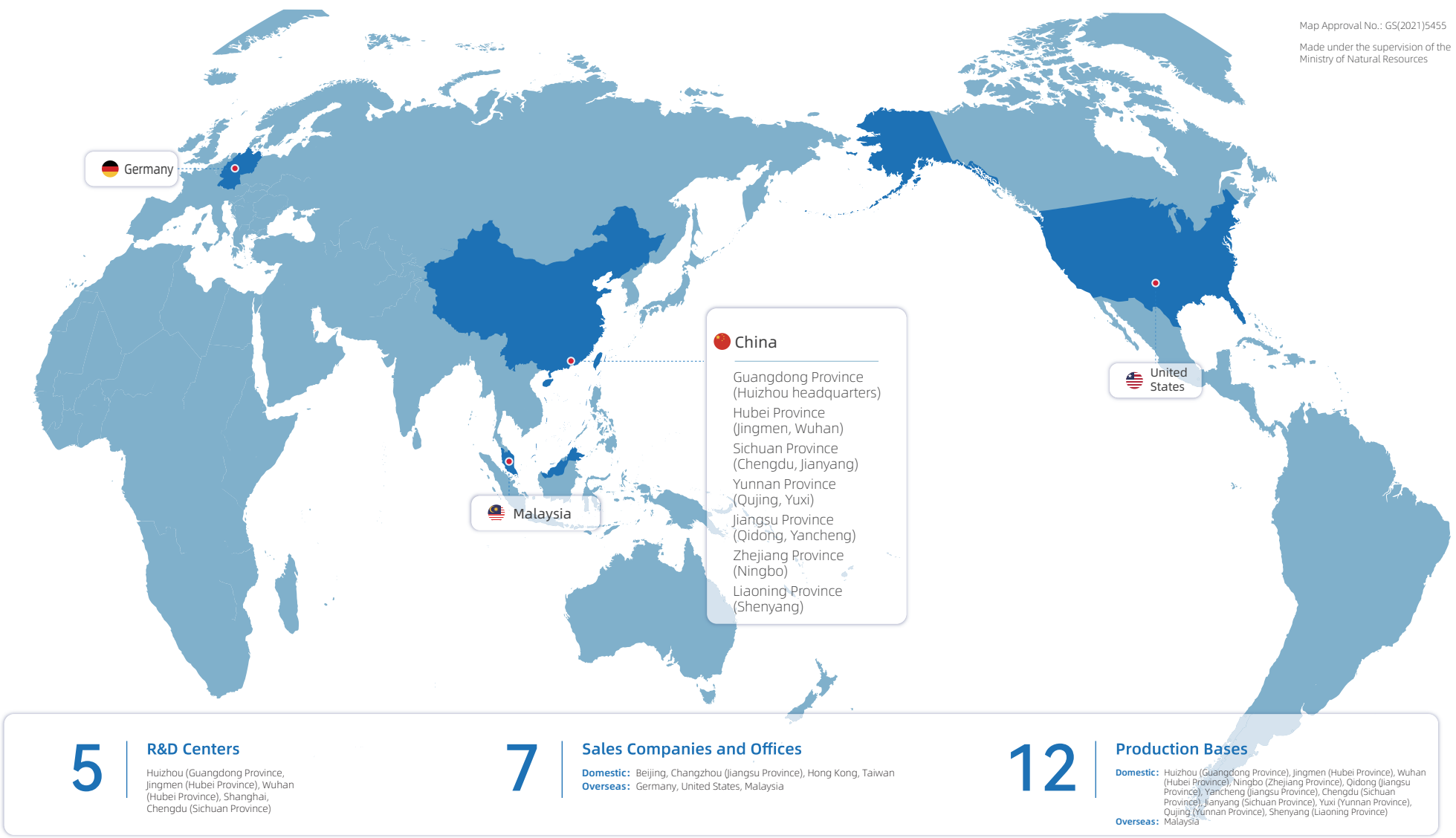
About EVE

About the Company

Founded in 2001, EVE Energy Co., Ltd. (hereinafter referred to as "EVE") was first listed on Shenzhen GEM in 2009. After 21 years of rapid development, EVE has become a high-quality lithium battery platform company, possessing core technologies and comprehensive solutions for consumer batteries, power batteries and energy storage batteries. Batteries are widely used in the field of IoT and the Energy Internet. (Stock code: 300014.SZ)

Global Presence

Headquartered in Huizhou, Guangdong Province, EVE has set up 12 major production bases in Huizhou (Guangdong Province), Jingmen (Hubei Province), Wuhan (Hubei Province), Ningbo (Zhejiang Province), Qidong (Jiangsu Province), Yancheng (Jiangsu Province), Chengdu (Sichuan Province), Jianyang (Sichuan Province), Yuxi (Yunnan Province), Qujing (Yunnan Province), Shenyang (Liaoning Province) and Malaysia. We have also set up sales and aftersales service networks throughout the world, with companies and offices in Beijing, Changzhou (Jiangsu Province), Hong Kong, Taiwan, and the United States. We have long-term distributors or strategic partners in most parts of Europe and Asia-Pacific.



Notes: Compared with the preceding reporting period, another 8 production bases in Wuhan (Hubei Province), Yancheng (Jiangsu Province), Chengdu (Sichuan Province), Jianyang (Sichuan Province), Yuxi (Yunnan Province), Qujing (Yunnan Province), Shenyang (Liaoning Province), and Malaysia have been added.

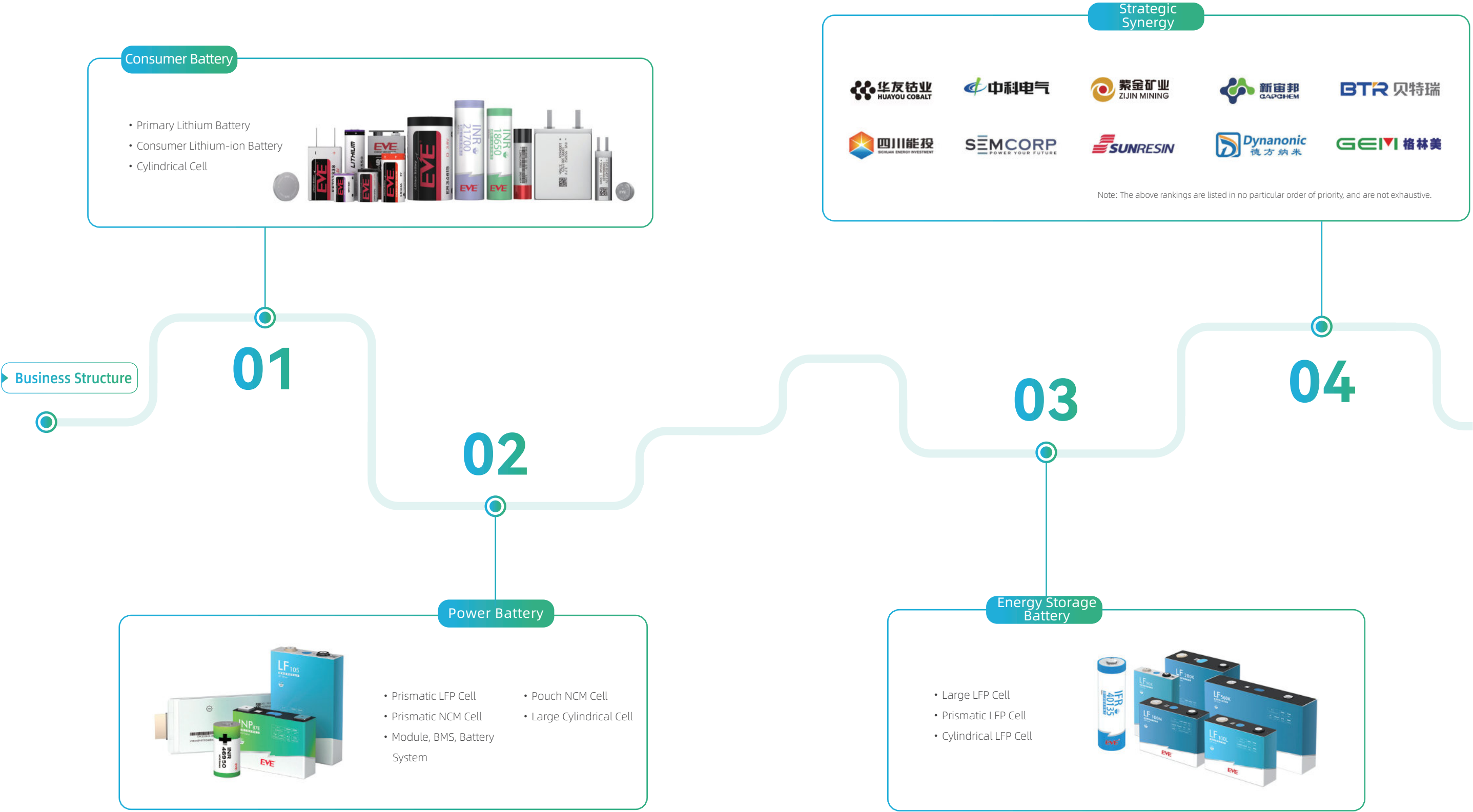
Key Achievements

- Ranked No.1 for 7 consecutive years in sales and export volume for primary lithium batteries
- EVE's energy storage shipment ranked global TOP 3
- The power battery installed capacity ranked global TOP 10 from January to November, 2022

* Data sources: China Industrial Association of Power Sources, SNE Research and KERUI.

Economic Performance

- In 2022, the operating revenues amounted to RMB **36.304** billion, growing by **114.82%** year-on-year, including RMB 27.683 billion from power and energy storage batteries, and RMB 8.513 billion from consumer batteries.
- The net profits attributed to listed companies which are shareholders amount to RMB **3.509** billion, with a year-on-year growth of **20.76%**.



► **Industry Associations**

The Company has maintained stable long-term cooperation with multiple industry media and associations.

- China Industrial Association of Power Sources
- China Battery Industry Association
- China Electric Appliance Industry Association Electric Tool Branch
- Gaogong Industry Institute (GGII)
- SPIR
- EV Tank



► **Honors and Achievements**

- All-China Federation of Trade Unions

Titled as "Pioneer of National Workers"

- Electronic Cigarette Professional Committee of China Electronics Chamber of Commerce

Vape Valley Supply Chain Excellence Award

- Stanley Black&Decker Supplier Conference

Stanley Black&Decker Award for "Global Strategic Cooperation"

- Guangdong Federation of Industry & Commerce

TOP500 Private Enterprise in the Chinese Manufacturing Industry

- Ministry of Industry and Information Technology

ER battery evaluated as single-champion product

- Ulink Media

Award for Best Intelligent Energy Solution

- OFweek 2022 Lithium Battery (Power & Consumption) Industry Conference

OFweek 2021 Outstanding Brand of Power Batteries

- 2022 Gaogong Energy Storage Summit

2022 TOP30 Cell Award for the Energy Storage Industry Chain

- 2022 Global Solar+Energy Storage Conference&Expo

2022 Award for Influential Brand of the Chinese Solar and Energy Storage Industry

- Chinese New Energy Automobile Industry Conference

2021 Top Award for Supporting Batteries of Heavy-duty Trucks

- Chinese New Energy Automobile Industry Conference

2021 Top Award for Supporting Batteries of New Energy Logistics Vehicles

- China Classification Society

Container-type mobile power supply certified by CCS

Sustainability Management

► **Sustainability Philosophy**

Our vision: To be the most creative Lithium battery company, and make outstanding contributions to sustainable development

● **Climate Action**

We are committed to implementing scientific strategies for reducing carbon emissions throughout the value chain, providing society with green products and supporting the global green transition.

● **Sustainable Production Management**

We are dedicated to creating an accountable and sustainable value chain of products through responsible sourcing, smart green manufacturing, green transportation, sustainable resource management and efficient resource utilization.

● **Responsible Corporate Citizen**

We aim to create shared value, strive to promote our employees' development and make contributions to society.



► **Governance and Management Frameworks for Sustainability**







Having established a management framework for sustainability, EVE is committed to incorporating topics on sustainability into all of its business and management activities, in order to guarantee stable and sustainable development.

Our Board of Directors specially deliberates over our annual social responsibility reports, while the Sustainability Committee is responsible for setting our goals and road maps for sustainable development. The Sustainability Committee guarantees the effectiveness of our sustainability system through regular supervision and examination. The chairman of our Board of Directors also acts as director of the Sustainability Committee. The Joint Conference for Sustainability, which is affiliated with the Sustainability Committee, is composed of major department heads. It makes sure that decisions taken by the committee are converted into specific plans and actions, which are then implemented as a part of company operations.

► Stakeholder Communication

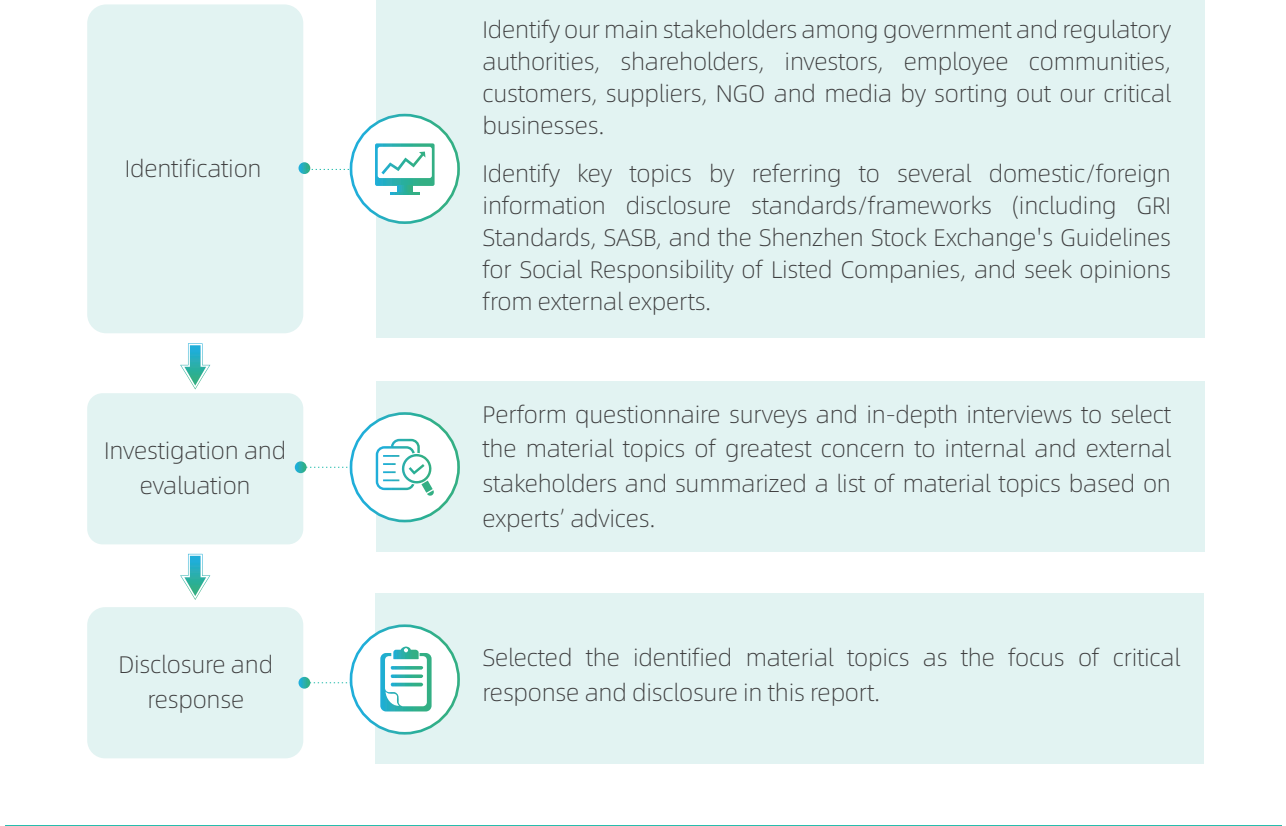
Stakeholders' needs and expectations are of great significance for us to improve our sustainability development management, and to this end, we have established a normalized communication mechanism. We take our stakeholders' needs and concerns into account in all of our operations and decision-making processes, in order to respond to their needs and create sustainable value for them.

In 2022, we actively responded to our stakeholders' concerns, and communicated with several investors and customers in terms of product safety, resource recycling, management of carbon dioxide emissions, responsible sourcing and other topics.

Key stakeholders	Concerned topics		Communication channels and forms of response	
 Government and regulatory authorities	<ul style="list-style-type: none">Compliance operationsInformation disclosurePollutant managementEnergy conservation and consumption reduction	<ul style="list-style-type: none">Corporate governanceBusiness ethicsResource recycling	<ul style="list-style-type: none">Inspection by regulatory authoritiesInformation disclosureField survey	<ul style="list-style-type: none">Document exchangePolicy implementation
 Shareholders and investors	<ul style="list-style-type: none">Corporate governanceCompliance operationScientific research and innovation	<ul style="list-style-type: none">Risk managementInformation disclosureSustainable development strategies	<ul style="list-style-type: none">Shareholders' meetingsField surveyFinancial and performance reports, etc.	<ul style="list-style-type: none">Communication at meetingsInformation disclosure
 Employees	<ul style="list-style-type: none">Employee rights and interestsEmployee safety	<ul style="list-style-type: none">Training and developmentEmployee concern	<ul style="list-style-type: none">Protecting employees' rights and interestsTraining and development systemsActivities for employee care	<ul style="list-style-type: none">Diverse communication channelsOccupational health and safety management
 Communities	<ul style="list-style-type: none">Community activitiesPublic welfare projectsPollutant management		<ul style="list-style-type: none">Participation in social public welfare activitiesInformation publicity	
 Customers and suppliers	<ul style="list-style-type: none">Product safetyR&D and innovationIntellectual property protection	<ul style="list-style-type: none">Carbon emission managementResponsible sourcing	<ul style="list-style-type: none">Technology research, development and innovationCustomer relationship managementSupplier management	<ul style="list-style-type: none">Product quality assuranceInformation security managementSupplier training and communication
 NGO and media	<ul style="list-style-type: none">Information disclosure		<ul style="list-style-type: none">Press conferencesInformation publicityMedia supervision	

► Determination of Material Topics

During the reporting period, we identified several topics by seeking opinions from external experts and referring to existing standards for information disclosure based on our development, strategic plans and industry features. In addition, we conducted a questionnaire survey of our customers, suppliers, investors, partners, employees, community public and other internal and external stakeholders in order to understand the priority topics that stakeholders were concerned about. Finally, the priority of the topics was ranked in two dimensions, namely stakeholders' concerns and their importance for the Company's development, in order to summarize a list of material topics. The Report provides focused responses and disclosures on the various material topics.



- 1

Product safety
- 2

Pollutant management
- 3

Employee rights and interests
- 4

Training and development
- 5

Employee safety

6

Carbon emission management

7

Responsible sourcing

8

Compliance operations

9

Business ethics

10

Resource recycling

11

Energy conservation and consumption reduction

12

Risk management

13

R&D and innovation

14

Intellectual property protection

15

Employee concern

16

Sustainable development strategies

17

Corporate governance

18

Information disclosure

19

Community activities

20

Public welfare projects

04

Corporate Governance

Sound and sustainable development is fundamental for an enterprise to make contributions to the sustainable development of mankind. EVE optimizes its corporate governance and maintains faithful operation, in order to improve our compliance operations and risk management, reduce operating risks, and guarantee our high-quality and sustainable development.

- Operating revenues of RMB **36.304** billion grew by **114.82%** on a year-on-year basis.
- **100%** coverage of anti-corruption training for employees.
- **100%** investigation rate of anti-corruption reported information.

Topics Addressed in This Section

- Compliance operation
- Corporate governance
- Information disclosure
- Business ethics
- Risk management

Contributions to SDGs

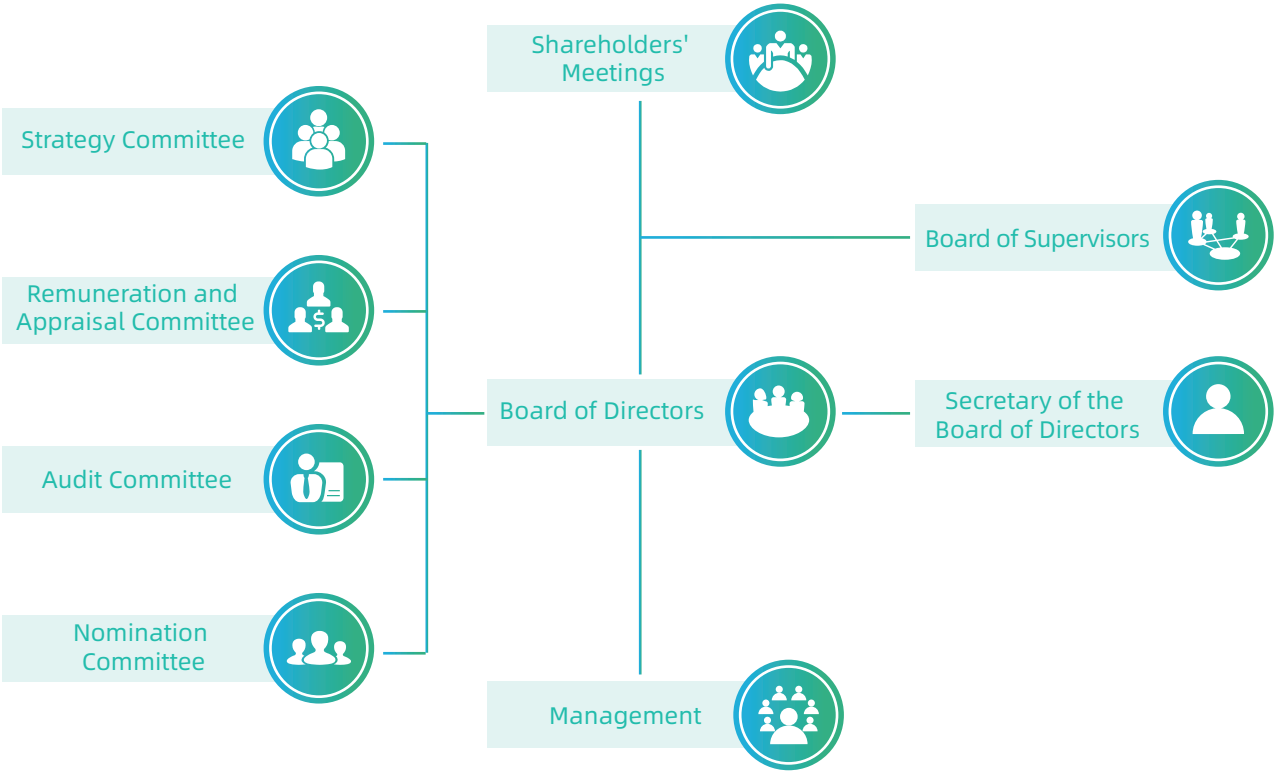


Corporate Governance Structure

The Company constantly improves its corporate governance structure in strict compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Shenzhen Stock Exchange, and the Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.2 - Standardized Operation of Companies Listed in the Second Board Market, as well as other pertinent laws, regulations and normative documents. In this way, the Company can continue to improve its corporate governance and guarantee its continuous operations.

Four special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Nomination Committee, have been set up under the Board of Directors in accordance with the Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No.2 - Standardized Operation of Companies Listed in the Second Board Market. The special committees are composed solely of directors. Independent directors, also acting as conveners, make up the majority of the Remuneration and Appraisal Committee, the Audit Committee, and the Nomination Committee. The convener of the audit committee must be an accounting professional. Except that the Chairman acts as director of the Strategy Committee, the directors of all other committees are independent directors, while independent directors account for two thirds of the members in all other committees. They provide scientific and professional advice and references on decision-making for the Board of Directors. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and authorization of the board. Their proposals shall be submitted to the Board of Directors for deliberation and decision making.

■ Corporate Governance Structure of EVE



Shareholders' Meetings



The Company convenes and holds the shareholders' meetings in strict compliance with the Rules of Procedure for Listed Companies, the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Shenzhen Stock Exchange, the Articles of Association, and the Rules of Procedure for Corporate Shareholders' Meetings. We treat all shareholders equally, and try our best to create favorable conditions for them to attend the meetings, in order that they can fully exercise their rights and protect their interests. During the reporting period, the Company held 7 shareholders' meetings, where online voting was combined with on-site voting, and hired professional lawyers to witness the meeting in order to protect the legitimate rights and interests of the shareholders.



Board of Directors



The Company's Board of Directors is composed of 7 directors, including 3 independent directors and 1 Chairman who are independent from the controlling shareholders in terms of management, business operations and financial affairs. Four special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Nomination Committee, have been set up to perform company management tasks. During the reporting period, the Company convened 19 Board of Directors meetings, deliberating over its material matters, including connected transactions, foreign investments, equity incentives, regular reports, guarantees and other proposals. All related duties of the Board of Directors were performed in full.



Board of Supervisors



The Company's Board of Supervisors carried out its work around the core tasks of improving corporate governance structure and promoting law-based and standardized operations of the Company in strict compliance with all applicable laws, rules and regulations. It effectively supervised the Company's business management, as well as duties of the directors and management. It also fully supervised the Company's law-based operations, financial conditions, external guarantees and internal controls. It gave full play to its important role in a listed company's governance structure, and effectively protected Company interests, as well as those of the shareholders and employees. During the reporting period, the Company held 19 Board of Supervisors meetings.



Protection of Investor's Rights and Interests

Since its listing, the Company has attached great importance to protecting its investors' rights and interests, and has actively established the sound systems to protect them. We have set up a special system for investor relationship management based on our actual situation and in strict compliance with all relevant laws, regulations, normative documents and the Articles of Association, in order to strengthen our communications with our investors. In this way, we have effectively built a good communication platform between the Company and investors, improved our corporate governance structure, protected our investors' legitimate rights and interests, and facilitated long-term, stable, harmonious and positive interactions with our investors. When performing investor relationship management, we treat all our investors equally, fairly, impartially and openly, ensure their rights to be informed, and protect all other lawful rights and interests.

· Headquarters Building of EVE



■ Mechanisms and Channels for Communication with Investors

The Company has special staff in charge of investor relationship management, and set up diverse communication channels for investors, thus ensuring our effective communications with small and medium-sized investors. Communication methods include but are not limited to announcements (including regular and interim reports), shareholders' meetings, performance briefings, strategy meetings with securities companies, investor exchange, investor visits on reception days, one-to-one communications, interactions through trading platforms, email, phone consultations, mailing, media, newspapers, other promotional materials, street performances, field visits and surveys, official WeChat account and websites, as well as other methods specified by the China Securities Regulatory Commission and the Shenzhen Stock Exchange.

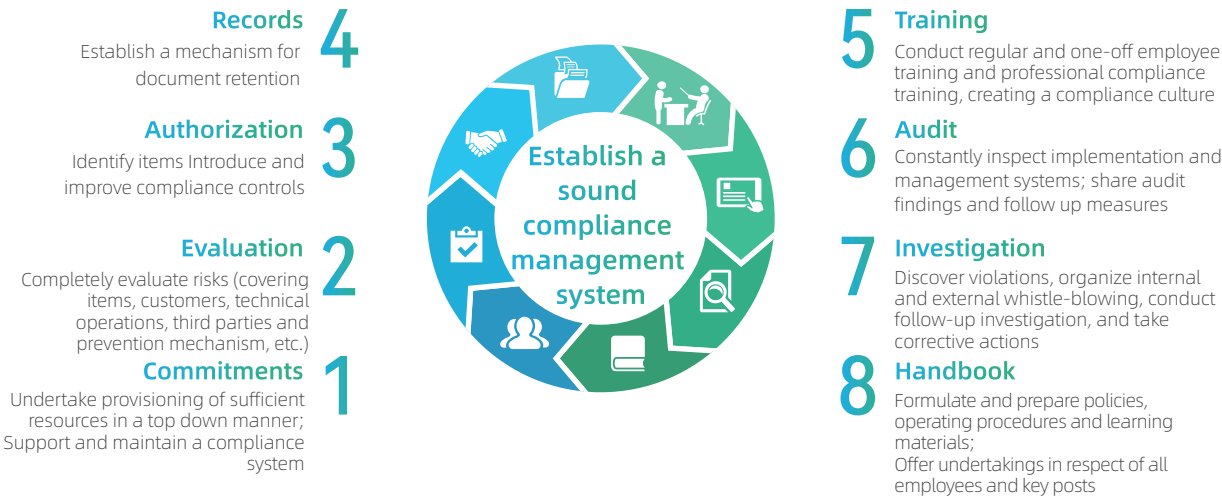
■ Information Disclosure Mechanism

The Company discloses all related information in an authentic, accurate, timely, fair, complete manner , as well as being in strict compliance with the Information Disclosure Management System, the Investor Relationship Management System, and other pertinent laws and regulations. We take initiatives to disclose all information which might impose material impacts upon our shareholders and other stakeholders through our official website, official WeChat account, the Shenzhen Stock Exchange, irm.cninfo.com.cn and other platforms. We have created these diverse communication channels to ensure our effective communications with small and medium-sized investors. We appoint the secretary of the Board of Directors to take charge of information disclosure, coordinate our investor relationships, receive shareholders, and answer investors' questions. We designate Securities Times, China Securities Journal, Shanghai Securities News and www.cninfo.com.cn as vehicles for our information disclosure, and ensure that all shareholders have equal opportunities and channels to obtain information and constantly increase openness and transparency of our operations. In 2022, the Company was nominated for the China 13th Tianma Award for Investor Relationships by Securities Times, and granted the award for the Best Secretary of the Board of Directors.

Compliance Operation

Compliance Management

The Company upholds "keeping promises" as one of its core values. We specify that abiding by laws, being honest, and acting in good faith are the premises of all operational activities. During the reporting period, the Company set up a compliance management department to promote key compliance projects, including trade compliance and data privacy compliance. We established a compliance management system and performed management by PDCA, to increase employees' awareness of compliance. In this way, a long-term mechanism was constructed to effectively avoid compliance risks, ensure our law-based compliance operations, and promote our sustainable development.



■ Promotion of Key Compliance Projects

● Trade Compliance

Reckon export control and sanctions compliance as top priorities of management. Conduct questionnaire surveys and remote interviews to evaluate compliance risks. Evaluate risks by business procedures and elements of the compliance management system. Sort out key topics related to export control and sanctions in business procedures. Identify risks in current business procedures, as well as gaps between domestic and foreign laws and regulations. Communicate key risk items in export control and compliance to management staff through internal meetings and platforms, in order that management can better understand compliance risk assessment project and ensure efficient implementation of compliance work.

● Data Privacy Compliance

Carry out work on e-commerce privacy and compliance of EVE Power. Complete privacy data compliance statements for e-commerce platforms and update them. Fulfill social responsibilities regarding data security and personal information protection under the Personal Information Protection Law, the Data Security Law, and Cyber Security Law, as well as other laws and regulations. Build a compliance team for privacy and data protection covering 8 departments and 2 law firms from which external support is available, with a view to preparing normative institutional documents and procedures, create an emergency response mechanism and establish a compliance system for personal information protection. During the reporting period, 42-hour internal and external training sessions were conducted for the project team members in respect of data privacy protection, in order to increase their understanding of privacy protection and improve their professional capabilities. In the future, this training will be given throughout the company.

Anti-corruption & Business Ethics

The Company resolutely resists all business corruption practices, conducts business in good faith and observes the highest standards of business ethics. It is committed to creating an efficient, open, fair and impartial business environment for high-quality development.

We have set up the audit and supervisory departments, which have also been established in our Hubei subsidiary due to its scale and features of its production management. The Audit and Supervisory Department, which is accountable to the Audit Committee, reports to the committee, in order to keep their staff and themselves independent and objective.

In 2022, the Company joined the "Enterprise Anti-fraud Alliance" to enhance its information exchanges with other companies of this alliance and engaged in professional training programs to promote exchanges on anti-fraud activities so that the staff of the Audit and Supervisory Department improved their professional skills and qualities.

To prevent fraud in business operations and reduce operating risks, we have constantly established and improved our systems against corruption and commercial bribery based on all pertinent laws, regulations and actual businesses. The aim is to ensure that our supervisory work is standardized and normative. So far, we have released and implemented Rules against Fraud and Whistle-blowing, Management Rules on Business Ethics, Management Rules for Supplier Blacklists and Management Rules for Acceptance of Gifts etc. During the reporting period, it was found through daily auditing and supervision that a total of 4 suppliers committed acts without good faith. According to the applicable rules, these suppliers were blacklisted and will no longer be engaged. 1 act of fraud was committed, and the fraudulent supplier was transferred to the judicial authority for punishment.

Key Performance

Coverage of anti-corruption training for employees **100%**

Total number of anti-corruption complaints **31**

Investigation ratio of whistle-blowing **100%**

■ Risk Assessment

In 2022, the Company identified and analyzed risks in respect of finance, legal affairs, sourcing, sales, R&D, information management, social responsibilities and other important business areas. We assessed degrees of risk and determined numerous risk control items in three dimensions: risk level, control status and risk weights. All risks were then evaluated based on the results, with risk controls formulated and risk evaluation/control reports released.

Instances of Identifying Major Corruption Risks

Sourcing - Risks in Professional Conduct during Sourcing

Major control points: Supplier introduction process management, Tendering/bidding or pricing procedures, authorization and approval procedures.

Sales - Risks in Professional Conducts of Sales

Major control points: Customer credit rating management, sales pricing procedures, settlement and payment collection methods.

■ Creating A Corruption-Free Culture

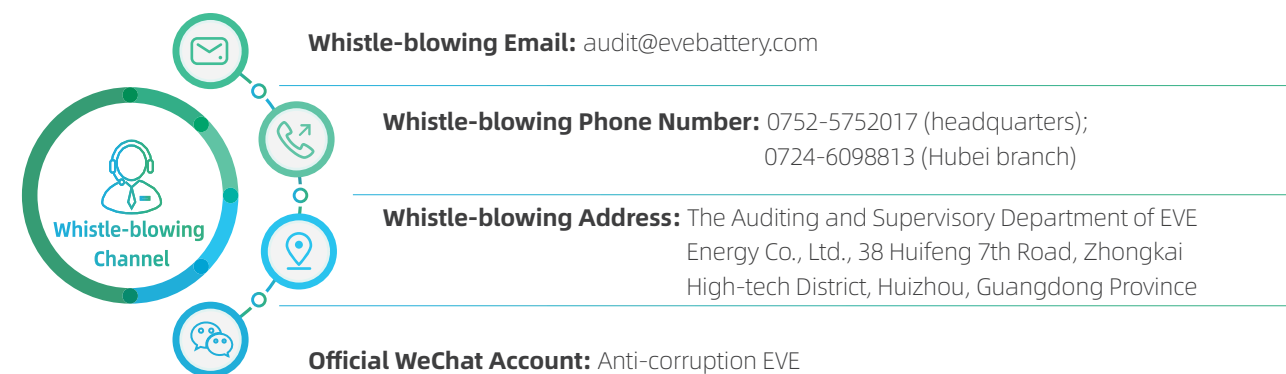


In March 2022, the Chairman signed and released "a letter to all employees about requirements of anti-corruption and integrity", where our expectations and requirements for anti-corruption and integrity were highlighted. In April, we opened an official WeChat account named "Corruption-free EVE" as an additional channel for complaining and whistle-blowing. During the holidays, we further issued integrity reminders and publicity materials to our stakeholders to increase their consciousness of business integrity. In May, the Company released "anti-corruption and integrity courses for all employees" through our online learning platform known as eLearn and 90% of our employees passed the course evaluation. The courses facilitated the promotion of our anti-corruption culture.

■ Whistle-Blowing Channels & Whistle-Blower Protection

Related parties can report information related to corruption, bribery, fraud and other violations of business ethics to the Audit and Supervisory Department through email, letter, hotline, official WeChat account and other channels. In addition, the aforementioned information is also announced in our OA system, official website, supplier management system and other channels to ensure that related parties are clearly informed. The Supervisory Department is responsible for receiving complaints and whistle-blowing from related parties. After each investigation, it offers advice and presents a report. It is supervised from the Board of Directors, the Board of Supervisors and the Audit Committee.

The Company attaches great importance to protecting the identity of whistle-blowers and individuals who assist in investigation. We strictly control the extent to the informed information, train supervisory staff on confidentiality matters, enter into non-disclosure agreements with them, and seriously punish any illegal disclosure of whistle-blower information. During the reporting period, no whistle-blower information was disclosed.

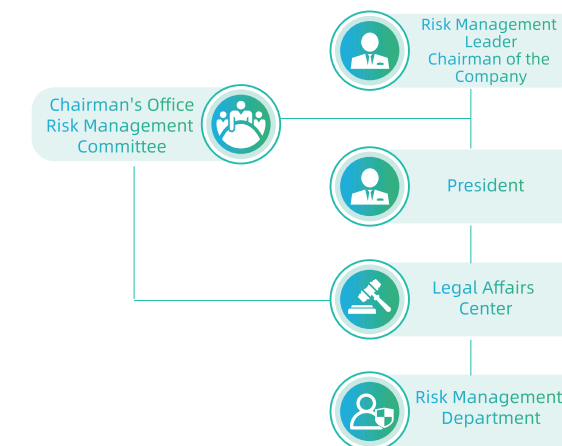


Risk Management

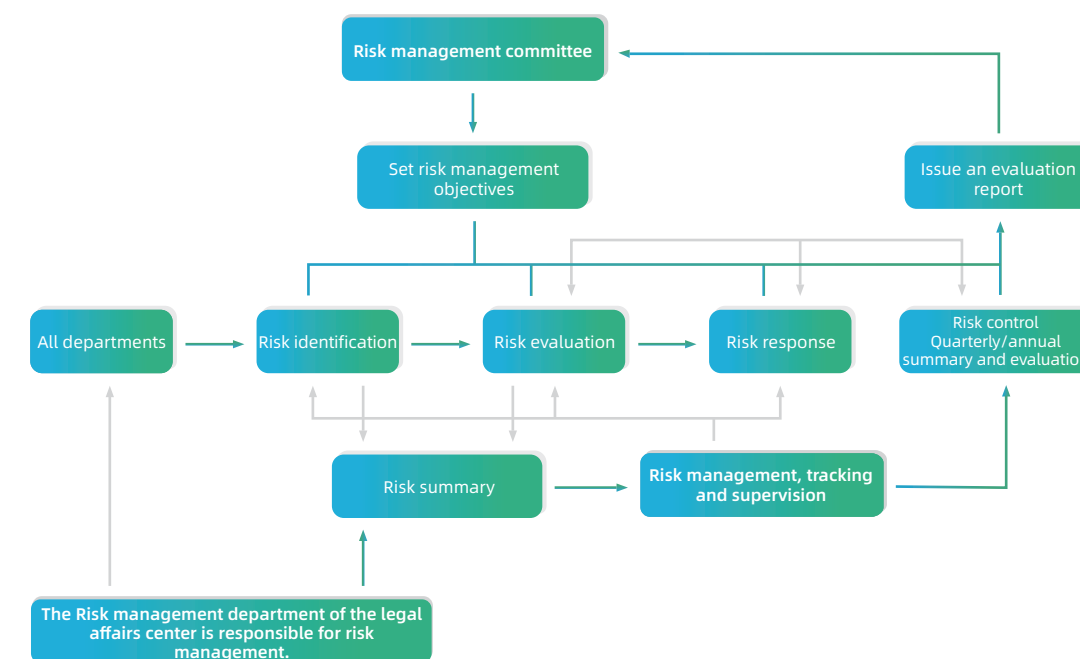
Guided by ISO 31000 Risk Management Guideline and Comprehensive Risk Management for Central Enterprises, the Company established a risk management system and released its Risk Management Rules based on its own organizational structure and operating model in order to clarify its risk management policies and procedures.

The Company has set up functional departments for risk management to identify risks related to all its primary departments, including strategic risks, financial risks, operating risks and compliance risks, etc. We also formulate controls and present major risks to the Board of Directors, in order to control and minimize any operating risks. To enhance their risk management capabilities, we trained our intermediate and senior managers regarding risk management procedures and methods for about ten times during the reporting period, with 245 people attending the training.

■ Risk Management Organization



■ Risk Management Procedure and Framework





05

Product Liability

Products are the carriers of an enterprise's values. EVE upholds "striving for excellence and creating value" as its core values. We are dedicated to technical research, development and innovation. Placing all-around control over quality, we are committed to providing customers with high-quality products that go beyond their expectations.

- R&D investments amounted to RMB **2.261** billion, accounting for **6.23%** of operating revenues
- **4,627** patents have been owned as authorized and pending, including **3,286** authorized patents

Topics Addressed in This Section

- Product safety
- R&D and innovation
- Intellectual property protection

Contributions to SDGs



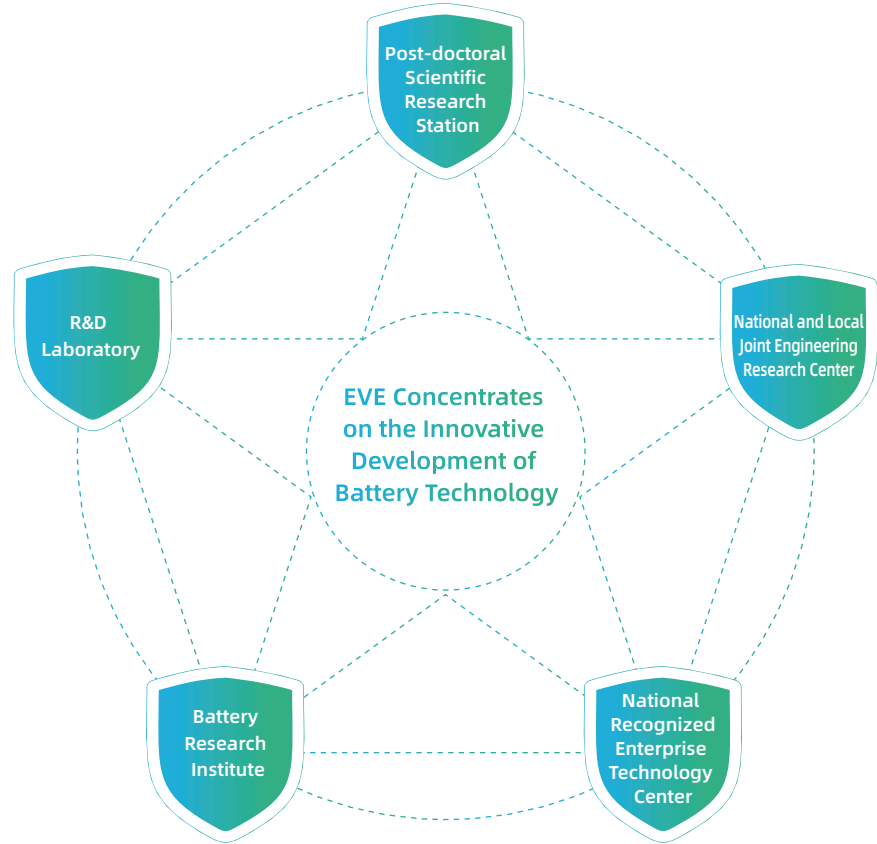
R&D and Innovation

R&D Capability

Remaining committed to the innovative development of lithium batteries, the Company has been approved to construct "Postdoctoral Scientific Research Station", "National and Local Joint Engineering Research Center for Key Technologies and Materials of Lithium Batteries" and "National Recognized Enterprise Technology Center", etc. Owing R&D venues covering more than 230,000m², we have built 19 battery research institutes and 38 R&D laboratories. We perform R&D dependent upon more than 950 high-end precision instruments. During the reporting period, the Company invested a total of RMB 2.261 billion in R&D, which accounted for 6.23% of operating revenues.

The Company boasts an internationalized and systematic R&D team. As of the end of the reporting period, it had 4,192 R&D employees, making up 15.28% of all employees, including 962 employees with Master's and Ph.D. degrees, and 2,043 employees younger than 30 years old. In April 2022, our institute's laboratory for key technologies and materials of lithium batteries was given the title of "Pioneer of National Workers".

The Company has maintained strategic cooperation with StoreDot, an Israeli company that is a world leader in fast charging technologies; their products will be applied in 46 series of our large cylindrical cells. In addition, the Company has developed extensive cooperation with institutions of higher learning, such as Wuhan University, and participated in more than 30 provincial scientific research projects.



Case

Striving for Excellence and Making Every Effort to Build a First-class R&D Center for the Industry

In December 2022, the construction of an R&D center was formally completed at EVE's headquarters, symbolizing the total improvement of the Company's research, development and innovation capabilities. With an investment of more than RMB 2 billion, the R&D Center at our headquarters covers an area of 145,000m². Research institutes for power batteries and battery systems have been set up inside the center, comprising of an electrical property test center, safety test center, and a R&D laboratory, where cylindrical batteries, prismatic batteries, modules, BMS, energy storage systems and other products undergo precision tests and analyses. In the future, EVE will continue adhering to the concept of "achieving innovative development and striving for excellence" in building a world-class R&D platform. Technologically, we will support the development of world-class lithium battery enterprises and make innovative contributions to the global industry.

The R&D Center at the headquarters is the result of an investment of more than RMB 2 billion, and covers a floor area of 145,000m²

Case

BMS Project was Certified by ASPICECL 2

EVE's SJ01 BMS project was certified as Automotive SPICE Capability Level 2 (hereinafter referred to as "ASPICE CL2"). Defined by the Verband der Automobilindustrie (VDA), ASPICE CL2 is a globalized standard developed by Automotive Software, and is regarded as a supplier access standard for international mainstream OEMs within the automotive industry. Certification by this standard shows that the Company has taken an international lead in BMS development. It is favorable for the Company to make the most of its strengths in independent intellectual property rights and continuously reinforce its innovation capabilities. It plays a positive role in expanding the international influence of our products and the businesses of our overseas markets.

► Innovation Achievements

Due to their high energy density, lithium batteries are currently regarded as core components, playing a critical strategic role in supporting the development of the Chinese high-tech industry, facilitating the transformation of the energy structure and realizing the objectives of "peak carbon dioxide emissions and carbon neutrality". As large-scale applications of lithium batteries become more and more evident, the Company has persisted in intensive research and planning across multiple dimensions based on the concept of "achieving innovative development and striving for excellence".



LFP batteries

Batteries with high energy density demonstrate the strengths of LFP batteries in terms of cost, and NCM batteries in terms of energy density.



large cylindrical cells

The new-generation of 46 series of large cylindrical cells, with energy densities of 350 Wh/kg, supporting ultra-fast, 9-minute charging. Demonstrate the advantages of super standards, reliability, manufacturing and system capabilities



"π" battery system

Energy density of 260 Wh/kg, 9-minute ultra-fast charging* "type n" cooling technology for 3D heat transfer, thus solving the existing topics of excessive heating during fast charging



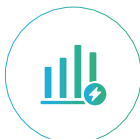
Liquid-cooling technology

LFP batteries + liquid-cooled temperature control system + gaseous and liquid fire extinguishing system + intelligent monitoring, operation and maintenance



Fast charge and discharge technology

The silicon based anode battery has been developed for fast charging of batteries, while its second-generation products have realized 20-minute fast charging.



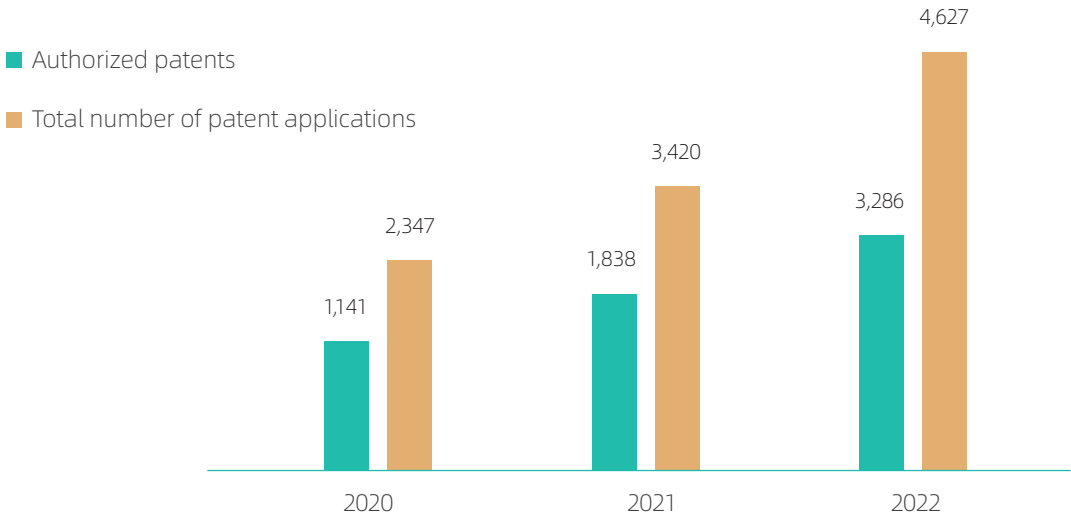
Four major new technologies

Secondary lithium metal batteries, solid-state batteries, sodium-ion batteries, hydrogen technology

Note: * The above data refers to the pilot lines from the EVE Laboratory.

► Intellectual Property Management

The Company strictly abides by the Patent Law of the People's Republic of China, Enterprise Intellectual Property Management, and all applicable national laws and regulations. Consistently adhering to the policies for "technological innovation, effective utilization, lawful protection and support" of intellectual property rights, we attach equal importance to "protecting technology outcomes" and "preventing and controlling intellectual property risks". We have formulated and prepared an Intellectual Property Manual, a set of Intellectual Property Management Rules, a Reward System for Intellectual Property Rights, and other internal management systems. We actively create, utilize, protect and manage intellectual property rights, in order to promote the high-quality development of the Company. In 2022, the Company passed its review, and was evaluated as a "National Demonstration Enterprise for Intellectual Property Rights". As of the end of the reporting period, the Company and its subsidiaries have owned a total of 4,627 authorized and pending national patents, including 3,286 authorized patents.



Product Quality

We are always in awe of them, making every battery to the very best of our abilities. Based on our quality policy of "focusing on customer needs, being extremely serious, resolutely achieving the highest standards in the industry, and continuing to improve the products and services", the Company always makes every effort to manufacture the highest quality products.

We have established a complete and effective quality management system. As of the end of the reporting period, the Company and the 6 domestic holding subsidiaries have all been certified in terms of their quality management systems.



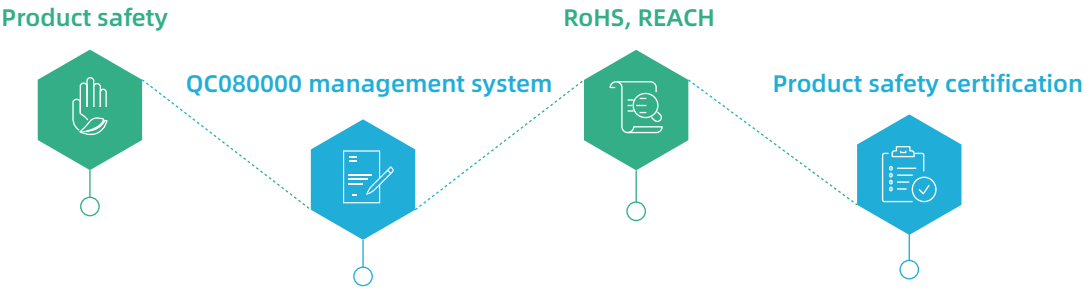
Company name	System standard
EVE	ISO 9001:2015, IATF 16949:2016
EVE Power	ISO 9001:2015, IATF 16949:2016
EUE	IATF16949:2016
EVE Innovation Energy	ISO 9001:2015
Ningbo EVE	ISO 9001:2015
Fanso	ISO 9001:2015
Huizhou Jinyuan	ISO 9001:2015

The Company has constantly improved its quality management system, while also formulating and executing the associated quality management rules. We manage the quality of our products throughout their full life-cycles by means of process methods and risk-based thinking.

Product development stage	Conduct market surveys; establish mechanisms for feasibility assessment and phase review according to customer requirements. Perform complete tests, verification and product certification. Our product safety certificates comply with all local laws and regulations.
Supplier quality management	We promote our supplier quality management by means of a process of supplier selection and review, material approval, routine review and evaluation, as well as improvement of counseling capabilities.
Production stage	Identifying and controlling quality control points for each process, we manage any critical factors which could affect product quality, including dust and moisture.
Continuous improvement	Continuously improve our quality management system through internal and external audit as well as a process of management review, in order to guarantee the adequacy and effectiveness of all system operations. Improve the quality team's organization capabilities to the highest standards, and set up a strong team to act as a role model within the industry.

The Company has all the required capabilities for testing battery materials, cells and battery systems. Our Corporate Test Center has been certified by the China National Accreditation Service for Conformity Assessment (CNAS) and is equipped with a specialized meteorological laboratory. This protects the effectiveness of all measuring equipment used in production and testing processes, and assures the quality of all product tests.

The Company attaches great importance to product safety. In order to ensure customers' health and safety when using our products, we avoid using hazardous substances in all parts of product design and development. When purchasing raw materials, we first detect whether hazardous substances exist in the raw materials. All our manufacturing processes and shipments of finished products conform to the QC080000 standard for hazardous substance process management systems. We ensure that our finished products comply with RoHS, REACH and all customer requirements. In addition, we strictly comply with all relevant laws, regulations and normative documents of the Chinese state, as well as our exporters and regions, as they relate to product safety, in order to complete product safety certification.



Case

EVE's ER Battery Evaluated as National Single Champion Products Within the Manufacturing Industry

In October 2022, the list of the seventh national single champion enterprises (products) in the manufacturing industry was announced and released. EVE's ER battery was included. The standards for recognizing single champion products in the manufacturing industry are stringent. Our successful inclusion in the list recognizes the Company's years of experience in the industry, as well as its advanced technologies, leading market position and lean quality.



Seventh national single champion products in the manufacturing industry

Information Security

The Company strictly abides by the Cyber Security Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the General Data Protection Regulation (GDPR), and all other national or regional laws and regulations. Based on the information security policy of "increasing consciousness of information security protection for guaranteeing information confidentiality, completeness and availability", we attach great significance to information security management, guarantee our ability to continue as a going concern, create a highly standardized information security management system that satisfies regulatory requirements, and lay a solid foundation for domestic and foreign customers in terms of information security. During the reporting period, the Company was not subject to any penalty from any related authority for violation of laws or regulations related to information security and privacy protection.



• Information security training

▼ Increase employee awareness of information security

All employees are trained in respect of information security, both online and offline. Information security courses have been launched online as part of our required new employee orientation courses. Offline information security courses are mandatory parts of new employee orientation and management training. They are also used by other departments as elective courses for on-the-job training. In addition, training courses have been launched online via the E-learning platform of EVE to publicize information security and increase awareness of cyber security. Information security is regularly promoted among all employees through our corporate WeChat information security mini program, email, and homepage.

▼ Improve our ability to respond to emergent information security incidents

Simulate emergency scenarios, combined with the drafting and strict implementation of annual emergency drill plans with respect to malfunctions of servers, networks, storage systems, database systems and application systems. Establish a scientific, effective and responsive emergency response mechanism, to ensure all operational and data security of information systems, thus minimizing the harm caused by any emergencies and improving information security.

▼ Improving the information security management system

Prepare and improve the Information Security Management Manual, Information Security Compliance Management Procedure, Encryption Management Procedure, Management Procedure for Information Security Events, and other internal management documents.

▼ Increase information and data security

- Deploy a data loss prevention system, which can intelligently judge whether to intercept, approve and permit data transfer based on personnel behavior, data classification and defined rules.
- Deploy a bastion host to strictly restrict network connectivity from the office environment to the production and testing environments, in order to ensure that related operations are effectively monitored and recorded.
- Deploy an online behavior management system, to manage and prevent the risk of leaks as a result of employee actions.

Customer Relations

After-sales Services

The Company diligently maintains good long-term cooperation with its customers. Having established detailed pre-sales and after-sales service evaluation systems, we are committed to providing our customers with high-quality products and services.

■ Procedures for Controlling Customer Complaints

Our procedures for controlling customer complaints are in line with the "2485 principle". To be specific, the first response will be made within 2 hours of receiving a complaint; emergency response measures and a second response will be provided within 24 hours; a cause analysis will then be performed, countermeasures formulated, and a third response given within 48 hours; countermeasures will be taken, their effectiveness verified, and a fourth (and final) response provided, with problem closure achieved within 5 days.

“

First response within **2 hours**

Take emergency response measures and provide a second response within **24 hours**

Perform cause analysis, formulate countermeasures and provide a third response within **48 hours**

Implement countermeasures, verify their effectiveness and provide a fourth response within **5 days**



2485 principle

”

■ After-sales Service System for Batteries

We uphold the concept of "providing conscientious services so that global users can enjoy safe travel and green energies". Our service concept is that "our employees are professional and reliable, providing considerate and stringent services to the satisfaction of our users". We have established a complete service system for our batteries, have been granted a National Five-star Service Certificate for our after-sales services as well as the CTEAS Seven-star (Excellence) Certification for After-sales Service System Perfection. During the reporting period, we also passed our second supervisory review.

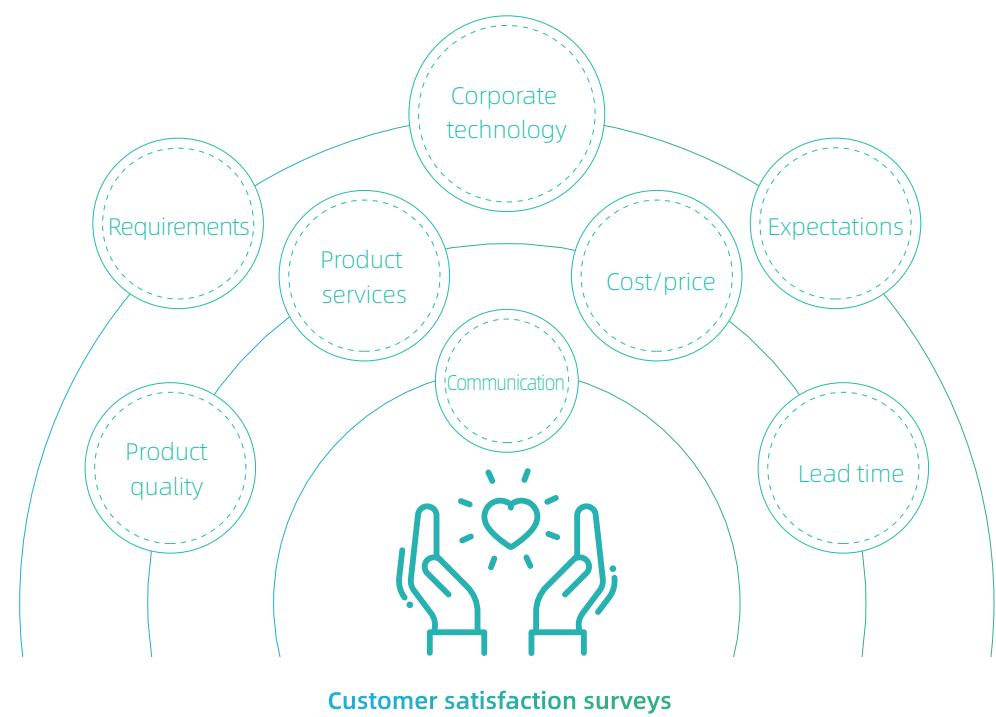
With a 24/7 service hotline (400-050-3628), we rapidly receive and respond to customer requirements for after-sales service. After solving their immediate issues, we follow up with them later for confirmation, asking for their advice in terms of improvements, and constantly improving customer satisfaction. During the reporting period, we obtained 96.6 points on average for our follow-up visits and after-sales services. In respect of customer needs for maintenance, we appoint local service personnel and service providers to perform services on site and promptly solve any issues. As of the end of the reporting period, we have cooperated with more than 120 service providers.

The Company has set up an EVE big data platform to continuously optimize our remote product operation monitoring system by eliminating any hidden dangers, monitoring operational status and reinforcing data analysis. We provide warnings for any anomalies that may impact battery safety, take initiatives to perform maintenance and effectively reduce after-sales problems, so that customers can enjoy peace of mind when using our products.

In 2022, the Company formally launched an online IT-based after-sales system. Based on a user call center, we set up an integrated maintenance dispatch center to handle the entire process from receiving service orders to paying return visits at the end of the service period. We coordinated and integrated our service providers' management platforms, on-site mobile recording terminals and internal approval platforms, in order to guarantee the on-site provision of high-quality services and further improve the timeliness of all after-sales services.

Satisfaction Survey

To promptly understand our customers' suggestions and comments with regards to our technologies, product quality, lead time, services, cost/price, communications and other issues, we regularly conduct customer satisfaction surveys twice a year. The results of the surveys are used as the basis for adjusting our business strategies and optimizing our products and services, in order to constantly satisfy our customers' current and future requirements and expectations.



Marketing Activities

In order to seize greater market opportunities, the Company actively takes part in industry summits and exhibitions. We engage in deep technical exchanges with peer companies and customers in terms of total solutions for consumer and power batteries, in order to promote our brand value.

Key Achievements

25 industry summits and exhibitions | Over 10 key meetings and speeches | 4 press conferences

Acted as an event sponsor for 10 consecutive years and took part in the 39th Annual International Battery Seminar



Company chairman taking part in the 2022 Gaogong Lithium Battery Conference and Global Awards Ceremony



LF560K strategic press conference for energy storage batteries



EVE ENERGY MALAYSIA SDN.BHD. was unveiled and established



Enlit Frankfurt



Press conferences for new technologies/ products





06

Occupational Health and Work Safety

Safety production is a core competency of lithium battery enterprises. With "zero injuries and zero fires" as our safety vision, EVE attaches great importance to work safety and occupational health management. We provide our employees with a safe and healthy work environment, in order to guarantee our sustainable business operations.

- We are willing to spend time, manpower or money however much they are needed for the purpose of safety
- **5,565** emergency drills have been carried out, with a completion rate of **100%**

Topics Addressed in This Section

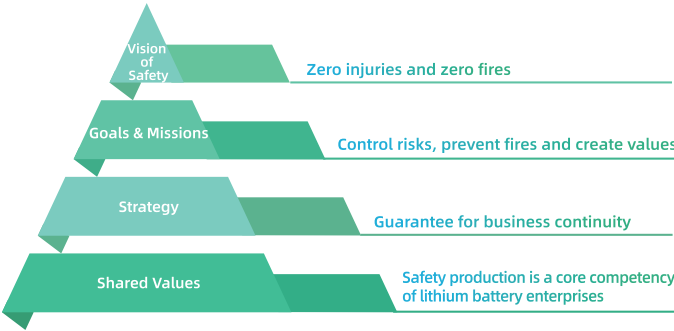
- Employee safety

Contributions to SDGs



Work Safety

The Company strictly complies with the Law of the People's Republic of China on Work Safety, the Fire Control Law of the People's Republic of China, the Guideline of China Occupational Safety and Health Management System, and all related laws, regulations and normative documents. "Willing to spend time, manpower and energy however much they are needed for the purpose of safety, we look upon work safety as our top priority, and have established a proactive occupational health and safety management system in order to guarantee our continued safety operations. As of the end of the reporting period, the Company and its 3 main domestic holding subsidiaries have been certified as Level 3 enterprises for "work safety certification". The Company and its domestic holding subsidiaries have also been certified by the ISO 450001: 2018 Occupational Health and Safety Management Systems.



Safety Management

By performing our responsibilities for work safety, and establishing and improving our "double prevention" mechanism, we have strengthened work safety management, effectively eliminating hidden dangers, continuously identifying and mitigating safety risks, and ensuring steady production management. During the reporting period, no major work safety accident occurred, and the Company was not subject to any administrative penalties for violating laws or regulations on work safety.

Performing Responsibilities for Work Safety

We implement an all-employee responsibility system for work safety, clarifying the principle of the "three dos for management", setting and consolidating objectives for different levels of work safety. All our employees shall understand and sign a statement of responsibility for work safety. We carry out quarterly and annual reviews of our system of responsibility for work safety. Safety performance is related to organizational and personal performance. The Company has created a Work Safety Committee, with the president serving as director. In addition, we have set up 3 special committees for fire and explosion protection, machinery safety and employee health. All business units have set up work safety sub-committees, to lead and coordinate our work on occupational health and work safety.



Corporate meetings of the Work Safety Committee

*Note: The 4 domestic holding subsidiaries under our control certified by ISO 45001:2018 Occupational Health and Safety Management Systems are EVE Power, EUE, EVE Innovation Energy and Ningbo EVE. Our 3 holding subsidiaries certified as Level 3 enterprises include EVE Innovation Energy, Ningbo EVE and Fanso.

Formulating a Corporate Work Safety Management Manual and Technical Standards

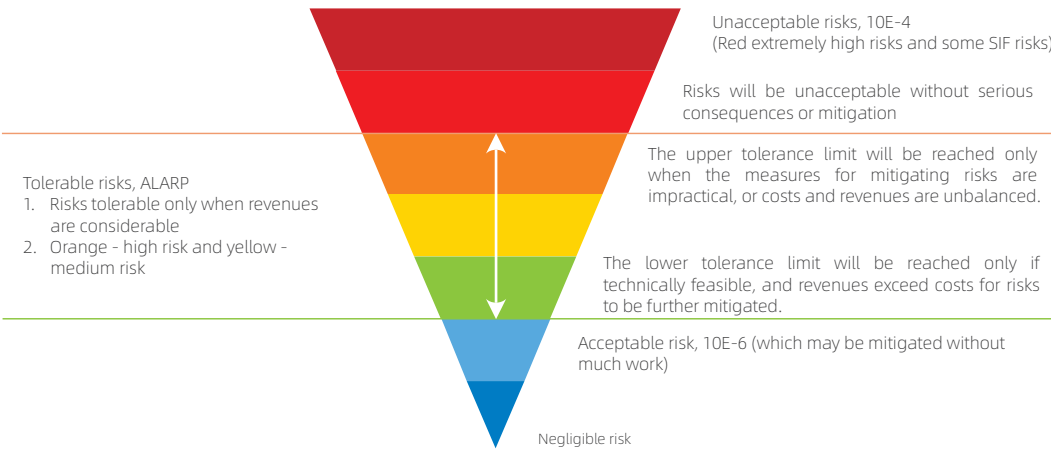
Based on the features of the battery industry on occupational health and work safety, the Company has amended and improved the EHS Management Manual for Constructing Factories of Lithium-ion Batteries, the EHS Management Manual for Factory Operations, the EHS Technical Standard for Constructing Factories for Lithium-ion Batteries, other management systems and corporate standards, in order to guide and standardize the EHS management of factory construction and operation processes.

Constructing a Double Prevention Mechanism

The Company promotes the construction of a mechanism for controlling safety risks by means of classification, elimination and controlling hidden dangers. We use "five-color maps for risk control" and make "safety organizations grid-based" to encourage all our employees to report and mitigate risks. With this mechanism, all employees are able to evaluate changes in risks at their work stations and fields under their jurisdiction, for systematic identification of hazard sources and risks as well as hierarchical risk control from sources. In 2022, the Company reported and mitigated 868 risks. We report the governance of major hidden dangers to the Emergency Management Department and the meeting of the employees' representatives. We perform closed-loop management for self inspection and correction, in order to eliminate hidden dangers of accidents and effectively prevent major accidents.

Risk level	Report risks	Mitigate risks	Identifying department
SIF risks	Public praise	Minor merit	EHS centers of subsidiaries
Extremely high risk	Reward	Extraordinary merit Major merit	EHS centers of headquarters EHS centers of subsidiaries
High risk	Public praise	Minor merit Reward	EHS centers of subsidiaries EHS centers of business units
Medium risk	Departmental incentive	Public praise	EHS department of production lines / factories
Low risk	Departmental incentive	Departmental incentive	Departments / workshops
Minor risk	Departmental incentive	Departmental incentive	Departments / workshops

Reward system for all employee risk identification



Risk acceptance criteria

■ Active Involvement of All Employees

Our managers at different levels all implement the "safety 100" project. During the reporting period, the managers performed 169 safety-related management tasks, implementing visible and perceivable actions for safety management, in order to establish a concept of safety leadership. Internally, the Company has established an employee reward mechanism. Any employees may report hidden dangers and near misses through multiple channels to obtain rewards, thus mobilizing all employees' enthusiasm for participation. We carry out T-Talk activities for all employees, encouraging people to share their knowledge and lessons learned with regards to EHS, thus increasing the team's safety awareness.

Safety implementation
100 projects
Managers have carried out
an average of **169**
safety-related tasks



T-Talk activities for all employees

■ Stakeholder Safety Management

The Company has formulated its Management Rules for Stakeholders and External Workers, clarified stakeholders' safety responsibilities, developed performance indicators for stakeholders' safety management and performed quarterly evaluations. We enter into safety management agreements with stakeholders, coordinate construction/supervision stakeholders to perform safety management jobs (including safety notices, safety training, safety technical disclosure, and review special construction schemes. We reinforce supervision over construction site safety, include stakeholders in the safety management of organizations under our jurisdictions, appropriately monitor site safety, correct hidden safety dangers and violations in the construction process, and make any necessary improvements. We incorporate technical measures for preventing high risks into contract clauses for standardized implementation, in order to properly protect our operators' occupational health and safety.



► Emergency Preparedness and Response

The Company strictly complies with all rules related to work safety and emergency management. We have established and improved an emergency management mechanism. We train emergency rescue teams at our bases, organize various emergency response drills, actively respond to all potential accidents and disasters, protect our employees' life and health, and assure the safety of our property.

■ Emergency Response Drills

In the reporting period, we constantly improved our company-level, factory-level and team-level emergency drill systems. We carried out 5,565 emergency response drills under different scenarios, including fire evacuation, leak of dangerous chemicals and electric shock, to improve emergency response capabilities of our emergency response team at varying levels.



Comprehensive emergency response drills of EVE Power



3-level coordinated emergency response drills



Company-level comprehensive emergency response drills

■ Improvement of Emergency Support Capabilities

We have constantly improved our system for emergency response plans to ensure their applicability and effectiveness. We have constructed a three-level emergency response mechanism, where local emergency response teams, along with part-time and full-time fire brigades are the major forces for providing emergency support and rescue. As of the end of the reporting period, our full-time and part-time fire brigades had 578 officers, while our local emergency response teams had more than 3,000 members. The Company has issued its Equipment Standards for Emergency Response Teams of Lithium Battery Enterprises, thus realizing the standardized and specialized management of equipment. The Huizhou, Jingmen and Tonghu facilities have continuously improved their smart emergency response technologies, including the installation of early monitoring and warning devices for manufacturing equipment, and equipping high-rack warehouse type battery production and storage facilities with emergency response systems.

Safety Cultures

The Company cares about and protects its employees' health and safety, considering it a fundamental part of its operations. We perform safety education and training for employees, organize and carry out diverse safety activities, to increase all employees' awareness of safety and create a proper atmosphere of safety culture.

Safety Education and Training

The Company actively provides a wide range of education and training on work safety for all employees. We carefully conduct three-level safety education for new employees, safety education for those employees subject to job transfer and returning to work, education regarding new processes, new technologies, new materials and new equipment, as well as occupational health education and training. We carry out education on common safety knowledge, education on fire safety and practical training on methods for extinguishing fires.



Training for emergency rescue personnel at a red cross society



Practical training on methods for extinguishing fires



10th Fire Sports Competition



Fire Publicity Month - "Little Firemen"



Special Seminar on "100 Days of Safety"



Skills Competition on Forklift Operation

Safety Culture Activities

The Company organizes a fire sports meet every year, as well as activities entitled "what we should know about safety", "100 Days of Safety ", skills competitions on forklift operations as well as specific activities on occupational health and safety culture, to increase safety awareness among front-line employees.



In 2022, we organized 3 competitions for joint exercises between our full-time and part-time fire brigades, in order to cultivate more highly disciplined and moral fire fighters.

Occupational Health

The Company implements the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, as well as other pertinent laws and regulations. We stick to our policy of "focusing on prevention and combining it with control". We improve our operating environment and strengthen our employees' occupational health management, in order to create a safe and healthy working environment for all employees.

	We have set up a special committee for employee health, composed of the deputy president of the Human Resources Center (who acts as director of the committee), HR management personnel and EHS management personnel, to coordinate prevention and control of occupational diseases.
	With properly designed layouts, our workplaces and workshops are all equipped with facilities for protecting against occupational diseases in line with requirements. We also perform routine inspection and maintenance of these facilities. In 2022, our control over the hazards leading to occupational diseases was very effective. Our inspection results suggested that the exposure level of 81.8% chemical factors was 10% below the exposure limit, and that of 98.3% chemical factors was 50% below the exposure limit.
	Organize occupational health examinations, to ensure that all workers exposed to hazards undergo occupational health examinations before induction, during employment and after leaving. Workers are informed of the examination results in writing. During the reporting period, no cases of occupational disease were found.
	Guarantee investment of sufficient funds in preventing and controlling occupational diseases, and maintaining their year-on-year increase. Optimized working environment, constantly improved facilities for protection against occupational diseases and provide workers with suitable labor protection supplies.
	Persistently control hazardous substances; review materials and test reports for newly introduced chemical materials; regularly entrust a qualified third party organization to detect volatile components for raw and auxiliary chemical materials, to eliminate and replace hazardous substances from sources.
	Regularly entrust an occupational health service agency with the relevant qualification to perform status evaluations on hazards related to occupational diseases. Implement measures for continuous improvement based on the resulting conclusions and suggestions.

07

Environmental Protection

EVE attaches great importance to energy consumption, pollutant and carbon dioxide emissions, echelon utilization and recycling of products, as well as consumption of natural resources. We have also increased the use of renewable energy and energy storage products. We make full use of green smart manufacturing lines, and deploy a waste lithium batteries recycling industry chain to mitigate the environmental impact. The Company remains committed to making environmental information public, and to enhancing exchanges with local communities and the general public. We provide communities with help and service as much as we possibly can.

- Our installed PV capacity is as high as **16.3MW**.
- The 11th EVE Power factory was issued a declaration of proven carbon neutrality.

Topics Addressed in This Section

- Pollutant management
- Carbon emissions management
- Resource recycling
- Energy conservation and consumption reduction

Contributions to SDGs



Climate Action

In order to "be the most creative Lithium battery company, and make outstanding contributions to sustainable development", the Company actively responds to the opportunities and challenges posed by climate change. We are intensively engaged in the new energy field, providing society with green products and promoting the low-carbon transition of social economy.

So far, we have set up an organizational structure for sustainable development, the responsibilities of which are clearly defined. The Sustainability Committee is responsible for formulating strategies, action plans and risk management policies on climate action. It provides all supervision and management of the progress. We have also set up a carbon emissions management committee to fully manage and organize all work related to carbon emissions and carbon footprint.



Risk and Opportunity Management

Based on specific industry characteristics and actual operations, the Company has identified existing or potential climate-related risks and opportunities, which have also been included in our management plans.

Risk/opportunity type	Risk factors	Impact	Countermeasures
Physical risks	Natural disasters	<ul style="list-style-type: none">Natural disasters such as typhoon and flood disrupt the supply of energy and raw materials.	<ul style="list-style-type: none">In response to the impact of extreme weather and natural disasters, the Company has formulated and established its Control Procedure for Emergency Response Plans and Response and an emergency management mechanism for responding to depreciation of fixed assets, labor loss, supply chain disruption and other events.We draft operating plans for safe energy supply to mitigate operating losses from power outages and gas interruptions.
Transition risks	Laws and regulations	<ul style="list-style-type: none">We will be investigated and required to assume legal and economic responsibilities if we fail to comply with any laws or regulations, resulting in losses.	<ul style="list-style-type: none">We strictly comply with all laws and regulations of the places where we operate and products are sold to ensure compliance operations.
	Emerging laws and regulations	<ul style="list-style-type: none">Fail to promptly assess risks from emerging regulations on carbon emissions, thus contributing to costs and risks of performing contracts in the carbon market.	<ul style="list-style-type: none">Act in line with emerging laws and regulations, and strengthen management measures for our products' carbon footprint and greenhouse gas emissions.
	Market changes	<ul style="list-style-type: none">The scarcity of non-renewable resources and energies leads to price fluctuations of raw materials.	<ul style="list-style-type: none">We create a strategic supply chain and actively conduct raw material projects, to guarantee supply chain stability.
	Corporate reputation	<ul style="list-style-type: none">Our stakeholders believe that we should shoulder social responsibilities and draft plans for reducing carbon emissions.	<ul style="list-style-type: none">Actively respond to the market and customers' expectations, and actively manage carbon emissions to improve low-carbon performance.
Market opportunities	Market changes	<ul style="list-style-type: none">Consumers who advocate green low-carbon concepts have a greater demand for products.	<ul style="list-style-type: none">We seize opportunities and make the most of our technical strengths to enter into the energy storage and EV battery markets. We constantly enhance our competitiveness in low-carbon products.
Opportunities in resource efficiency	Changes in resource efficiency	<ul style="list-style-type: none">We manage energies, water and material resources, technologically modify equipment and take other measures to reduce utilization and carbon dioxide emissions in the course of our business operation.	<ul style="list-style-type: none">We increase energy utilization efficiency and production flexibility by utilizing renewable energies, carrying out technical reforms for energy conservation and upgrading processes.

Carbon Emissions Management

In 2022, the Company set up a carbon emission management committee to identify laws, regulations, risks and opportunities related to carbon emissions. We set management objectives for carbon emissions, planned and organized our work related to greenhouse gases and product carbon footprint. The Company has introduced software and a counseling organization for managing carbon emissions. We devise inventories and perform inspections to continuously reduce our greenhouse gas emissions and product carbon footprint.

Greenhouse Gas Inventories



The Company carries out annual greenhouse gas inventories to identify changes in carbon emissions. In 2022, the Company invited a professional third-party organization to perform greenhouse gas accounting for itself and its 7 main subsidiaries. The accounting covered data on greenhouse gas emissions within Scope 1, Scope 2, and (partially) Scope 3.

Research on Product Carbon Footprint

The Company uses external professional product life-cycle management software to evaluate and study carbon footprint of battery life-cycle, in order to provide a scientific basis for setting our objectives of carbon neutrality and planning our decarbonization roadmaps. In February, the Guideline for Evaluating Carbon Footprint of Lithium-ion Batteries, a group standard established with our involvement, was formally released. It guides the entire lithium-ion battery industry to measure the product carbon footprint.

Case Livestreams on "Carbon Peaking and Carbon Neutrality" Theme

Driven by global vehicle electrification, the new power system, as well as the policies for "carbon peaking and carbon neutrality", EVE has been committed to making outstanding contributions to the sustainable development of mankind in the 21st century, in order to undo the harm mankind has done to the Earth's environment since industrial revolution.. Against this background, we have organized live-streaming events around "carbon peaking and carbon neutrality" to introduce and promote our concepts on energy conservation and emission reduction, the construction of a green low-carbon supply chain, more efficient liquid-cooled energy storage systems, and LF series energy storage batteries.



Green Designs and Products

The Company considers the impact of the utilization, production, recycling and processing of raw and auxiliary materials on resource and environment in the product development stage based on the product life cycle. We take several actions such as raw material selection, clean production processes and technologies, resource recycling and harmless disposal to reduce resource consumption and waste production during the production process. During the reporting period, 2 products (ICR18650/20P and ICR18650/26V) were evaluated as green designs and products by the Ministry of Industry and Information Technology. Similar declarations for other products are also in preparation.



Selection of Raw Materials

Control environmentally hazardous substances in the raw materials and components of our products.



Clean Production Processes and Technologies

Optimize mixing, surface coating and other processes to improve the cycling performance of our batteries; constantly conduct clean production to reduce our energy and material consumption and improve production efficiency.



Resource Recycling

Recycle waste materials and batteries; recycle NMP waste gases by means of condensation.



Standard Disposal

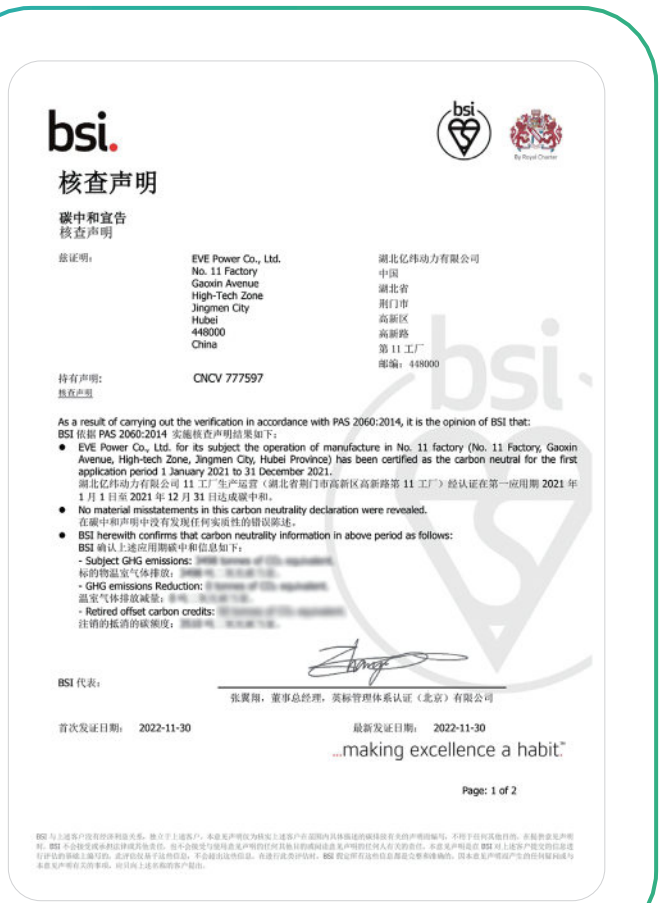
Formulate specifications for battery products and waste battery disposal in compliance with national requirements for environmental protection. Entrust a qualified professional recycling company for waste battery disposal.

Zero-carbon Factory

The Company upholds "green, low-carbon, sustainable" development as its core development concept, which is incorporated into the whole lifecycle of its products, covering design, production and operations management, for the purpose of developing a series of new green low-carbon products, technologies and processes.

The Company plans a strategy to become a zero-carbon factory, constantly evaluating and demonstrating its plans from the factory planning phase to provide our society with higher-quality products at lower energy consumption. Specific options include:

- ✓ Centralized capacity planning, large-scale production
- ✓ Use of high speed, high performance and energy efficient production equipment
- ✓ Automatic loading and unloading systems, logistics lines, full coverage of AGV
- ✓ Artificial intelligence and 5G technology for empowering production
- ✓ Clean energy utilization
- ✓ Thermal energy recycling
- ✓ Energy storage power stations, chilled water thermal storage facilities
- ✓ Expert panel



In 2022, the Company engaged in the construction of zero-carbon factories and the carbon neutrality accounting of factories. We chose EVE Power for pilot carbon neutrality. Measures including digital management, clean energy utilization, closed-loop recycling of waste and green operations were implemented to reach factory objectives on carbon neutrality. We were thus issued with a certificate of declaration for carbon neutrality.

Efficient Resource Utilization

Energy Conservation and Consumption Reduction

Energy Conservation Management

To implement relevant energy policies, laws and other requirements, and to further standardize all energy management activities, we have established a corporate energy management system based on the ISO 50001:2018 Energy Management Systems. We have also prepared and improved our Energy Management System Manual, the Control Procedure for Energy Management Measures, and the Management Rules for Energy Conservation and Consumption Reduction, as well as other internal systems and documents. As of the end of the reporting period, the Company and the 2 main domestic subsidiaries under its control have been certified by the ISO 50001:2018 Energy Management Systems*. We have constantly reduced our total energy consumption through systematic management and scientific energy conservation methods.



Energy Policy: Making green products available to society with higher energy utilization efficiency.

Introduce Energy Conservation Technologies and Perform Technical Reform for Energy Conservation

The Company actively introduces advanced energy conservation technologies. We continuously reduce our energy consumption and increase our energy utilization efficiency in multiple ways, including process optimization, technical reform for energy conservation and increased utilization of renewable energy. We utilize the industrial Internet of Things to improve and upgrade smart control over air compressor and refrigeration systems. We have set up chilled water storage systems for parks, electrochemical energy storage power stations, and distributed PV power stations to improve flexible load control, guarantee continuous production and decrease energy consumption. During the reporting period, the Company implemented 40 key technical reform measures for energy conservation, thus contributing to our year-on-year reduction of comprehensive energy consumption and carbon emissions per unit of product.

Case Condensate Recycling

During the company's production process, steam condensate is produced after the use of steam. To fully utilize waste heat, steam condensate is recycled through hot water storage tanks for regenerative heating and utilization by dehumidifiers. It decreases factories' energy and water consumption.



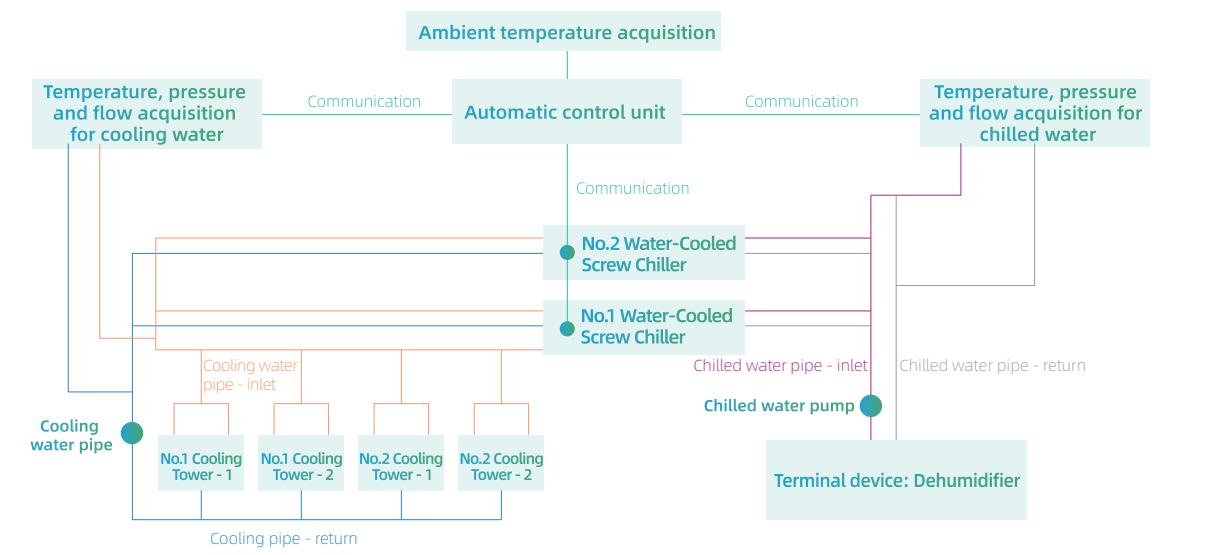
*Note: The 2 domestic holding subsidiaries, EVE Power and EUE, have been certified by the ISO 50001:2018 Energy Management Systems.

Case Energy Efficiency Improvement Project for a Cold Storage Station

Our Huizhou Zhongkai factory implemented an energy efficiency improvement project for its cold storage station by analyzing and discovering problems throughout the life cycle of the refrigeration system. It formulated and improved measures, enhanced its maintenance standards, and optimized its operational parameters and management process. Through PDCA, its COP achieved a year-on-year growth of 25.7%.

Case Central Refrigeration Project

- 1. Our Huizhou Xikeng Factory features an intelligent digital control system, which communicates with every host. It utilizes fuzzy logic for dynamic adjustment to guarantee highly efficient equipment operation.
- 2. Optimize system pipelines. Connected with drain elbows with an inclined connection at 45° to decrease pipeline resistance and energy consumption of the water pumps during operation.



Case Energy Storage Power Station

In 2022, electrochemical energy storage power stations with a capacity of 19.45 MW were constructed as planned in multiple bases. The energy storage power stations were constructed like fabricated containers for "self storage and use". 10 kV or low-voltage grids were connected to these stations, which were charged and discharged twice a day for operation. They were used for factory load adjustment and peak load shifting. The electrochemical energy storage power station at the Huizhou base participated in responding to the demands of the power trading market. In this way, it saved energy, reduced the costs of the factory, and increased micro-grid flexibility of the community.

Employee Activities for Energy Conservation and Reduction of Carbon Dioxide Emissions

The Company regularly organizes a group of publicity activities, known as Energy Conservation Awareness Week, every year. We promote green operations, praise excellent energy conservation actions, incorporate energy conservation and low carbon into all employees' daily work and lives, and develop an energy saving culture with all employees' involvement. On Arbor Day, we organize our employees to plant trees, helping to reduce carbon dioxide emissions. We enabled people to understand the ecological value and enhance their low-carbon actions to make modest contributions to reducing carbon dioxide emissions.

2022 Energy Conservation Awareness Week



Employee Tree Planting for Carbon Emissions Reduction



Clean Energy

The Company has purchased green power and expanded rooftop PV construction to increase the ratio of green power and reduce carbon dioxide emissions. As of the end of the reporting period, our cumulative installed PV capacity has reached 16.3 MW. It is expected that our annual power generation will be 16,432.6 MWh, and that our carbon dioxide emissions will decline by approximately 9,372 t every year. In the future, we will expand our construction of PV power stations to increase utilization of solar energy and green power consumption.



Note: The national average grid emission factor for 2022 announced in the "Notice on Management of Enterprises' Greenhouse Gas Emissions in the Industry of Power Generation from 2023 to 2025" (Huan Ban Qi Hou Han (2023) No.43) is 0.5703 t CO₂/MWh, and this value is hereby adopted.

Water Resource Management

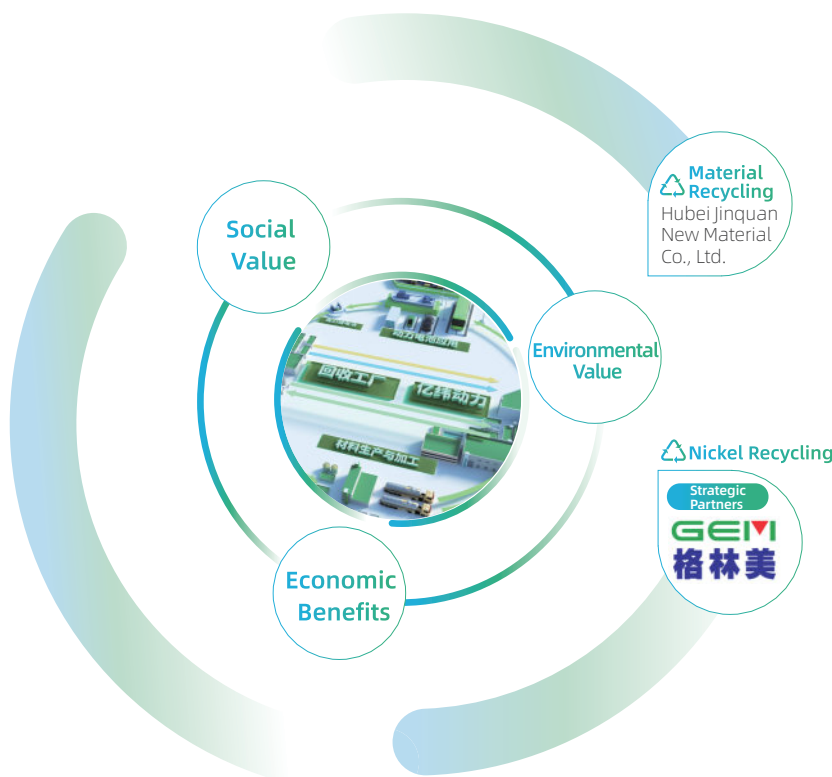
The Company conducts environmental impact assessments in strict compliance with all applicable laws and regulations. In the early stages of site selection and factory construction, we take local water resource availability into account. In the production management stage, we actively promote recycling and reuse of water resource. After the deep treatment process, production wastewater is recycled for the cooling system make-up water, and to reduce water resource consumption and wastewater draining.

Case Recycling of Reclaimed Water from Production Wastewater

Once treated up to the corresponding standard through the effluent recycling and deep treatment system in effluent station, the wastewater from the production progress of the Huizhou EVE Power is used to refill the water which evaporated naturally during operation of the cooling towers. On average, fresh water consumption of the cooling towers declines by 20 t/day, ensuring "zero discharge" of wastewater production.



Material Recycling



For the low-carbon management of battery life cycle, we have developed low-carbon and environmental-friendly technologies for recycling lithium batteries. By actively expanding our external cooperation with the market chain in terms of recycling technologies, we have created a green supply chain for the circular economy of "waste lithium batteries-chemical materials-battery materials-lithium batteries", in order to ensure greater economic benefit, as well as improved environmental and social value. In 2022, the Company entered into a cooperation agreement with Hubei Jinqian New Material Co., Ltd. and planned to promote a project for comprehensive recycling of waste lithium batteries with a capacity of 18,000 t/year in 2023 to achieve the further recycling of battery waste.

Environmental Management

The Company upholds "comply with laws, making continuous improvements, preventing pollution, saving energies, reducing emissions, and providing green products to society with higher energy utilization efficiency" as our sustainable development concept. Based on our environmental management system, we constantly improve our environmental management system, devising innovations and actions from the perspective of management and technologies to mitigate the impact of our own operations upon the environment. As of the end of the reporting period, the Company and its 4 main domestic subsidiaries have been certified by the ISO 14001:2015 Environmental Management Systems*. The Company and EVE Power were bestowed the title of "National Green Plants" by the Ministry of Industry and Information Technology. Ningbo EVE was awarded as a "2022 3-star Rated Green Plant in Fenghua District". During the reporting period, the Company was not subject to any administrative penalties for violating any law or regulation related to the ecological environment protection. No major environmental accidents or issues happened in the Company.

The Company and
EVE Power

• National Green Plant •

Ningbo EVE • 2022 3-star Rated Green Plant •

Environmental Management of Projects

During the reporting period, environmental impact assessments were conducted for all the Company's construction projects according to the laws and regulations related to the protection of the ecological environment. The "three simultaneities" and a discharge permit system were strictly implemented for all construction projects.

Environmental Emergency Management

The Company conducts environmental risk assessment based on the related documents of environmental emergency response plans and the Company's actual situation. We draft and prepare the environmental emergency response plans and the field emergency response cards. We also have these plans and cards filed with the local competent authority for the ecological environment. We draft plans for annual emergency response drills and organize emergency them as planned to improve our abilities in responding to environmental emergencies. The Company has also purchased environmental pollution liability insurance.

Environmental Information Disclosure

The Company strictly implements the Management Measures for Lawful Disclosure of Corporate Environmental Information. In terms of environmental information, we have also formulated our Management Rules for Environmental Information Disclosure. We have made active responses in terms of environmental protection, energy consumption and other aspects of sustainable development. On our official website (<https://www.evebattery.com/disclosure>), we regularly and voluntarily disclose information related to wastewater discharge, construction and operation of pollution prevention and control facilities, administrative licenses and other aspects of environmental protection.


* Note: The 4 domestic holding subsidiaries and certified by the ISO 14001:2015 Environmental Management Systems are EVE Power, EVE, EVE Innovation Energy and Ningbo EVE.

Pollutant Management

The Company has formulated effective management systems for wastewater, waste gases, noise and solid waste generated in the course of production in strict compliance with laws, regulations and requirements related to environmental protection in its places of business. We strictly carry out pollutant management, draft annual objective management plans for pollutants and take active mitigation measures depending on the situation. At the same time, the Company drafts annual independent monitoring plans, and performs environmental monitoring independently, online and through third parties. During the reporting period, pollutant monitoring frequency and results conformed to all relevant standards. In addition, the environmental information was made public.


Wastewater Management

We have formulated the "Rainwater, Sewage and Wastewater" Management Rules to standardize our factories' management of their rainwater, domestic wastewater and production wastewater. All our factories, whether already constructed or under construction, feature water supply and drainage systems in accordance with the principle of "rainwater-sewage diversion, and sewage diversion".



Production wastewater:

The wastewater will be discharged once it conforms to the corresponding standard after treatment through wastewater treatment facilities, or recycled after treatment through deep treatment process.



Domestic wastewater:

After pre-treatment, domestic wastewater is collected through a municipal sewage pipeline and treated by an urban wastewater treatment plant for discharge, up to the corresponding standard.

Waste gas Management

The Company has formulated Waste Gas Management Rules to standardize its factory management, supervision and monitoring of waste gases, in order to guarantee that emissions of waste gases generated during production complies with all applicable rules. We have equipped corresponding facilities for treating different types of waste gases. During the reporting period, all waste gas treatment facilities worked properly, and waste gases were emitted at the corresponding standard after treatment.

Emissions reduction project: During the reporting period, the boilers in Zone A of our Huizhou Zhongkai factory were upgraded for low-carbon combustion. After this upgrading, the effluent concentration of nitrogen oxides declined from a value below 150mg/m³ to a value under 50mg/m³.



• Technical upgrading of low-nitrogen burners of boilers

Management of Solid Waste

The Company has formulated Management Rules for Solid Wastes to standardize its classification, collection, storage and disposal of various solid waste, in order to make sure the generation of waste is reduced and the recycling rate is increased in line with environmental compliance. We set annual indicators and emissions reduction objectives for the management of solid waste based on specific factory conditions.



• Classification and disposal

Our domestic waste is disposed of by the environmental health department. Waste aluminium foil, waste copper coils, waste plates, waste cells and other general industrial solid waste are delivered to a solid waste recycling organization for recycling. We entrust an organization qualified for the disposal of hazardous waste to dispose of waste organic solvents, waste electrolytes, waste dish cloths, waste finger sleeves, waste glue and other hazardous waste.

• Disposal compliance

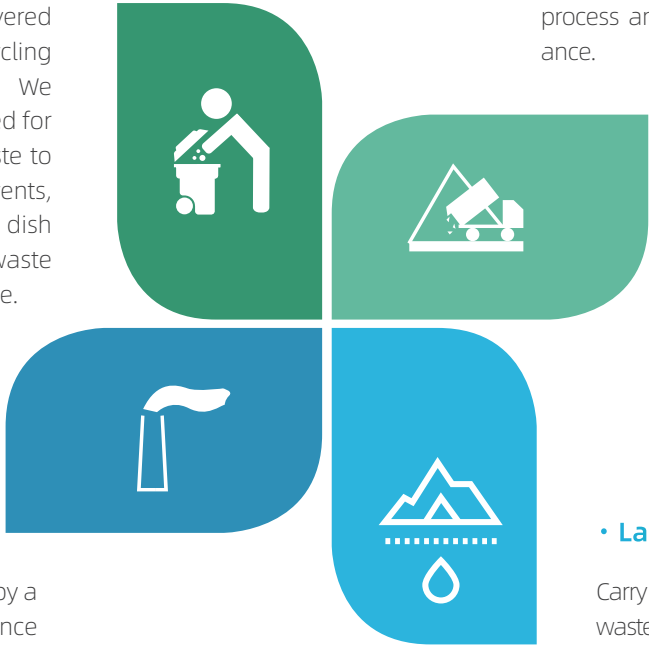
Regular data and field auditing of the organization's recycling of solid waste and disposing of hazardous waste to evaluate their qualification and technical competencies, track their disposal process and ensure disposal compliance.

• Recycling

NMP waste gases are recycled by a condensation process. Once delivered to an NMP supplier for purification, they will be resupplied to our factories for reuse as raw and auxiliary materials.

• Landfill reduction

Carry out projects for treating wastewater and identifying properties of sludge as hazardous waste. Based on the characteristics of sludge as non-hazardous waste, sludge is handled by the combined use of landfill and cement kilns rather than pure landfill, in order to reduce land use.



Environmental Information Disclosure of Key Pollutant Dischargers

In 2022, our subsidiary EVE Power was included in the list of key pollutant discharging entities for the water environment and atmosphere by a local ecological environmental management department. Information on its administrative licenses for ecological environment and emissions is listed below.

Information on Administrative Licenses of Our Key Polluting Entities for the Ecological Environment

Company name	Approval documents	Document No.	Acquisition time
Hubei EVE Power Co., Ltd.	Environmental Impact Assessment and Approval of Project Changes in Lithium Iron Phosphate Batteries with a High Energy Density of 20 GWh	Jing Huan Duo Shen [2022] No.28	July 29, 2022
	Environmental Impact Assessment and Approval on Addition of 3 Industrial X-ray CT Machines 12J Factory	Jing Huan Shen [2022] No.35	May 26, 2022
	Environmental Impact Assessment and Approval on Addition of 3 Industrial X-ray CT Machines to the HBF16 GWh Lithium-ion Power Batteries for Passenger Vehicles project	Jing Huan Shen [2022] No.42	August 4, 2022
	Environmental Impact Assessment and Approval on Addition of 4 Industrial X-ray CT Projects	Jing Huan Shen [2022] No.64	September 6, 2022
	Environmental Impact Assessment and Approval on Addition of 2 Industrial X-ray CT Machines to 8J9J, Zone 2	Jing Huan Shen [2022] No.70	October 26, 2022
	Radiation Safety License (reapplication)	E Huan Fu Zheng [H0123]	December 12, 2022
	Pollutant Discharge Permit	914208000500011598001Q	November 15, 2019
	Pollutant Discharge Permit (extended)	914208000500011598001Q	November 15, 2022
	Pollutant Discharge Permit (reapplication)	914208000500011598001Q	November 28, 2022

Discharges of Key Polluting Entities

Company name	Descriptions of main and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Mean effluent concentration	Adopted discharge standard for pollutants	Total emissions	Approved total emissions	Excess emissions
Hubei EVE Power Co., Ltd.	Non-methane hydrocarbon	Organized	24	Zone I Zone II Area III Area IV	13.57 mg/m³	Standard for lithium-ion / lithium batteries in Table 3 of the Emissions Standard of Pollutants for the Battery Industry (GB30484-2013): 50 mg/m³	17.810 t/a	161.898 t/a	None
	Sulfur dioxide	Organized	1	Zone II	2.57 mg/m³	Standard for gas-fired boilers in Table 3 of the Emissions Standard of Air Pollutants for Boilers (GB13271-2014): 50 mg/m³	0.170 t/a	3.896 t/a	None
	Particles	Organized	1	Zone II	53.8 mg/m³	Standard for gas-fired boilers in Table 3 of the Emissions Standard of Air Pollutants for Boilers (GB13271-2014): 150 mg/m³	4.871 t/a	18.777 t/a	None
	Particles	Organized	1	Zone II	3.0 mg/m³	Standard for gas-fired boilers in Table 3 of the Emissions Standard of Air Pollutants for Boilers (GB13271-2014) 20 mg/m³	0.227 t/a	2.387 t/a	None
	Chemical Oxygen Demand (Industrial Wastewater)	Intermittent	2	Zone II Area IV	13.25 mg/L	Standard for indirect emissions in Table 2 of the Emissions Standard of Pollutants for the Battery Industry (GB30484-2013): 150 mg/L First-level A standard under the Pollutant Discharge Standards for Municipal Wastewater Treatment Plants (GB18918-2002): 50 mg/L	0.253 t/a	8.345 t/a	None
	Ammonia nitrogen (industrial wastewater)	Intermittent	2	Zone II Area IV	0.166 mg/L	Standards for indirect emissions in Table 2 of the Emissions Standard of Pollutants for the Battery Industry (GB30484-2013): 30 mg/L First-level A standard under the Pollutant Discharge Standards for Municipal Wastewater Treatment Plants (GB18918-2002): 5 (8) mg/L	0.0047 t/a	0.761 t/a	None

Note: Total emissions refer to the total quantity of pollutants entering the external environment, and are calculated based on the mean effluent concentration.



08

Sustainable Supply Chain

The high-quality development of an enterprise is inseparable from the amicable support of its partners. EVE treats all of its suppliers as important partners, incorporating the concept of sustainable development into its supply chain management. It has established a responsible supply chain system to create a win-win situation and a wonderful new era together with its suppliers.

Topics Addressed in This Section

- Responsible sourcing

Contributions to SDGs



Supply Chain Management

The Company has formulated its Supplier Management Procedure, the Management Measures for Supplier Performance Appraisal and the Management Rules for Auditing and Coaching Suppliers. We have developed complete supply chain management procedures to strictly control the entire process, including supplier access, selection, use, auditing and evaluation, to manage supplier chain risks, increase sourcing transparency, standardize sourcing and fully protect reciprocal rights and interests.

In selecting new suppliers, we fully investigate our target suppliers' basic information, quality certification systems, technical information, financial information, quality control and intellectual property rights. In respect of potential suppliers, we fully audit their quality management systems, hazardous substance management systems, social and environmental responsibilities, environmental management systems and information security systems, in order to put together the Supplier Audit and Assessment Report. In addition, we conduct Risk Assessment on Hazardous Substances under the Suppliers' Environment, in order to ensure the selection of qualified suppliers and satisfy our needs for high-quality sustainable development. For qualified suppliers, we draft and implement plans for monthly performance appraisal and annual auditing. We also perform and give more pertinent management and incentives for our suppliers based on the audit results.

We uphold "helping, supporting and guiding" suppliers as part of their managing them, in order to encourage our facilities to promote localized procurement. As of the end of the reporting period, our localized raw materials suppliers accounted for 30.24%, which effectively mitigated material supply risks and supported local economic growth. In addition, we continuously enhance our cooperation with our suppliers, with key suppliers accounting for 64.55%.

Case

Annual Supplier Meeting for "Creating Mutual Benefits in a New Era"

On December 16, 2022, EVE's 2023 Annual Supplier Meeting themed "Creating Mutual Benefits in a New Era" was held in Huizhou. A total of 194 suppliers attended the meeting, witnessing the Company's development outcomes achieved in 2022 together, and discussing development trends and new opportunities for 2023. To express our gratitude to our suppliers' great support and trust, EVE granted 5 major awards for "excellent suppliers", "excellent services", "joint innovations", "excellent quality" and "excellent coordination", with more than 80 suppliers winning an award.




*Note: The data is related to the ratio of purchased amount, calculated specific to Guangdong Province, where our headquarters is located.

Responsible Sourcing

The Company has constantly improved its supplier management system from a variety of aspects, including compliance with laws and regulations, labor standards, occupational health and safety, environmental protection and business ethics. We take our requirements for corporate social responsibilities, environmental protection and sustainable development into account during the early selection, introduction, auditing and evaluation of suppliers, in order to guarantee proper satisfaction for these requirements in our supplier chain management.


Early selection and introduction	<ul style="list-style-type: none">• Taking corporate social responsibilities as a prerequisite for auditing new suppliers• Signing Informed Consent Forms on Requirements for Social Responsibilities, Occupational Health and Safety, Environmental Protection and Business Ethics, Due Diligence Agreements on Responsible Mineral Suppliers, Supplier Anti-corruption Commitment, Commitment on Non-use of Environmentally Harmful Substances, and Quality Assurance Agreements, as well as other contracts and agreements.• In 2022, a total of 82 suppliers were newly introduced and audited.
Auditing and assessment	<ul style="list-style-type: none">• The suppliers are annually audited and assessed in terms of their performances in environmental protection and social responsibilities.• In 2022, a total of 93 suppliers were audited and evaluated.

In 2022, no supplier was found to have an adverse impact in terms of social responsibilities, occupational health and safety, environmental protection and business ethics. The detailed rules are as follows:




Social responsibilities

International standards for social responsibilities, international standards for human rights, prohibition of child labor, forced or compulsory labor, and labor protection, etc.




Occupational health and safety

Occupational health and safety system, safe and healthy working environment, adequate health and safety training, conforming with labor protection supplies, regular health checks, etc.



Environmental protection

Environmental management system, environmental compliance, hazardous substance management, energy conservation, emissions reductions, product environment-friendliness, etc.



Business ethics

Business integrity, conflicts of interest, intellectual property rights, information protection, etc.

► **Avoiding Conflict Minerals**

The Company uses mineral resources in the process of its production. We understand that major adverse effects would result if we embark on mineral exploitation, trading, disposal and export in areas affected by conflicts and carrying high risks, and that we are obliged to respect human rights and not fuel conflict. To handle risks and hidden dangers in our responsible mineral supply chain, the Company has formulated and announced a Due Diligence Policy for Responsible Mineral Resource Supply Chains and the Management Rules for Due Diligence Appeals of the Supply Chain. We undertake to strengthen communications and cooperation with peer enterprises and stakeholders, in order to constantly improve our due diligence capabilities for the responsible mineral supply chain.

We have formulated our Due Diligence Policies for Responsible Mineral Resource Supply Chains with reference to the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains released by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding legal requirements for responsible mineral supply chains, and incorporated these into all contracts entered into with our suppliers. This policy can be accessed in the "Social Responsibilities" section under "About Us" in our official website.



The Company undertakes to identify and manage the following risks in the operational practices of its responsible mineral supply chains:

- Gross infringement upon human rights
- Direct or indirect support for illegal organized armed groups and public or private security forces
- Corruption, money laundering and fees paid to governments
- Land rights, emissions and small workshops
- Occupational health and safety
- Child labor

The Company constantly updates and improves its due diligence system so that it can conform to the latest audit standards under the OECD Guidelines and the Responsible Minerals Assurance Process (RMAP). The Company annually performs due diligence for its raw materials suppliers. We re-audit and verify our suppliers' legitimacy, quality assurance system and conformity as a basis for qualifying or disqualifying suppliers. If we find any supplier nonconformity during the investigation process, we will require the supplier to rectify their actions. If the supplier still fails to satisfy our requirements after rectification, we will immediately stop purchasing from this supplier and return all nonconforming raw materials which have been purchased from the supplier. The supplier will not be included in our list of qualified suppliers for no less than two years.

The Company has formulated and implemented multiple internal procedures, including Purchasing Control Procedures, Product Monitoring and Measurement Control Procedures, as well as Product Identification and Traceability Control Procedures, in order to restrict and prohibit any "raw conflict materials" and unknown raw materials from entering our raw materials supply chain. We implement identification and traceability management procedures, in order to guarantee that all our raw materials are traceable and controllable during storage and use.

We preform due diligence on our upstream raw materials suppliers, publicizing the evaluation standards as well as the requirements for transparency and responsible supply chains under the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and RMAP among all suppliers. In addition, we remind and urge our upstream raw materials suppliers to conduct their businesses in compliance with laws and regulations. All our suppliers are required to make a commitment that the raw materials they supply are "not conflict materials".

As of the end of the reporting period, the Company was investigated by its major customers in respect of its responsible mineral supply chains, and the results of this investigation satisfied all customer requirements.





09

Employee Care

Quality workforce are essential for the development of an enterprise. EVE upholds "driving innovations by talents and developing market competitiveness through innovation". We pay attention to cultural construction, create a harmonious enterprising atmosphere and create platforms for personnel development, in order that our employees will gain a strong sense of satisfaction and belonging.

- Our employee satisfaction has been improved for **5** consecutive years.

Topics Addressed in This Section

- Employee rights and interests
- Training and development
- Employee care

Contributions to SDGs



Equity

We protect our employees' legitimate rights and interests in strict compliance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, as well as other pertinent laws and regulations. We provide our employees with a diversified, equal and just open working environment.

Equal Employment

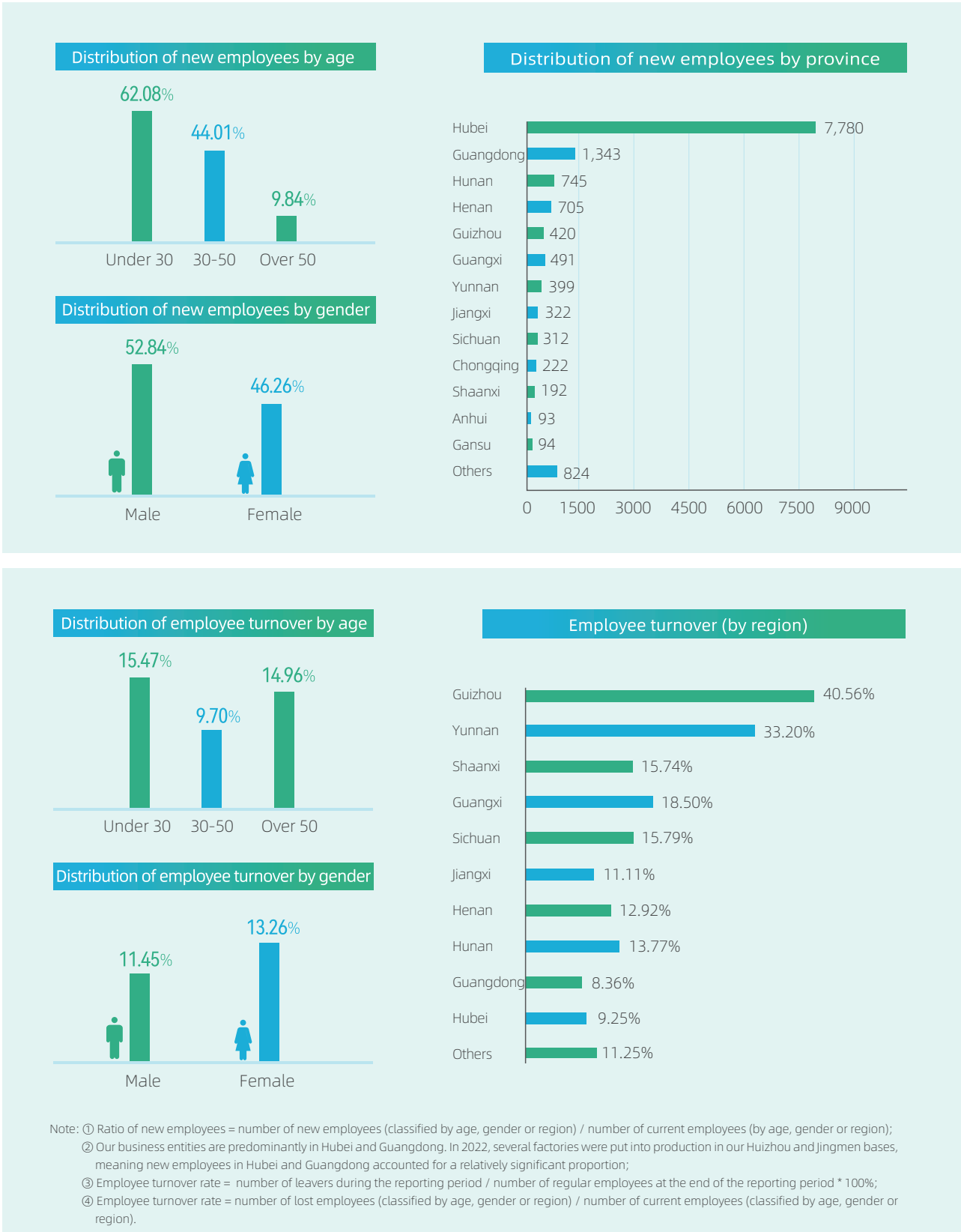
The Company strictly complies with the related labor laws and regulations of the country and the place where business is conducted, as well as internal Recruitment Management Rules. Upholding "equality, fairness and oneness" as a professional principle, we select the wisest and most capable, guarantee the consistency and objectiveness of our recruitment procedures and selection standards, and clarify the rights and obligations between employers and employees. The Company lawfully bans all instances of forced labor and the use of child labor. We oppose all discrimination arising from race, ethnicity social class, nationality, religion, disability, gender, sexual orientation, age, marital status or political affiliation. We are committed to creating an equal, harmonious and inclusive working environment. During the reporting period, no employment discrimination, use of child labor, forced labor or other violation occurred in the Company.

We support localized employment and create more local employment opportunities. In September 2022, the Company took part in three live "cloud-based recruitment" events in response to the Huizhou municipal government's work requirements for "stabilizing the economy and guaranteeing employment". A total of more than 270,000 people watched these live-streaming programs.



▲ 2022 Huizhou Municipal Cloud-based Job Fair for Unemployed Graduates from Institutions of Higher Learning

Employment data	
Indicators	2022
Total number of employees	27,427
Age: under 30	10,768
Age: 30-50	16,405
Age: over 50	254
Male	18,896
Female	8,531
Labor contract signature	100%
Social insurance coverage	100%
New employees	13,942
Employee turnover rate	12.01%



▶ **Democratic Communication**

We listen to our employees' opinions, pay attention to their needs, and attach great importance to their aspirations. We have developed both online and offline channels to understand what our employees truly think, and provide prompt responses. Our online communication channels include APP EVE Life, service hotlines, opinion mailboxes and employee satisfaction surveys. Our offline communication channels comprise employee seminars, on-site communication channels, employee service centers, special interviews and communications. In addition, our Trade Union regularly organizes employee communication and seminars. It participates in the formulation of important rules regarding our employees' material interests, in order that our employees can truly exercise their rights to know, participate and supervise.

Key Achievements



Compensation and Benefits

Remuneration System

In 2022, we optimized our annual salary adjustment plan, empowered management, identified core talents and guaranteed the competitiveness of our remuneration system. In addition, our year-end bonus packages were directly linked with our performance, to ensure that they were both an incentive and equal. We attracted, retained and encouraged talents using a clear remuneration system.

Equity Incentives

We have constantly deepened our equity incentive system and created a multi-layer incentive structure, in order to enhance our employees' cohesion and our own competitiveness. In 2022, the Company implemented its 9th employee stock ownership plan to attract and retain key intermediate and grassroots employees as well as outstanding talents. In addition, sales of the seventh employee stock ownership plan and the third set of restricted stocks satisfied the requirements for performance appraisal, thus effectively stimulating our employees' enthusiasm and creativity at work. We offered various equity incentives to keep their development objectives consistent with ours and share benefits.

Statutory Benefits

Social insurance, provident fund, paid holidays (public holidays, marital leave, leave for antenatal checkups, maternity leave, parental leave, paternity leave, breast-feeding leave, official leave, sick leave, leave for work-related injuries, bereavement leave and annual leave). In 2022, 1,325 employees asked for parental leave, accounting for more than 7,800 days in total.

Extra Benefits

Festival and annual benefits: Gifts for Chinese Spring Festival, Mid-Autumn Festival, Dragon Boat Festival and other traditional festivals;
Fixed activity benefits: Factory celebrations, associations and birthday parties;
Special benefits: Anniversary, marriage and retirement gifts;
Clothing, food, shelter and travel: Physical examinations, commuter vehicles, travel allowances and child care.

Training and Development

Talent Cultivation and Growth

Talent cultivation and growth are major drivers for the development of an enterprise. EVE attaches great significance to talent cultivation and growth. We remain committed to cultivating first-class talents, building learning-oriented organizations and facilitating our employee career growth around our talent strategies for "effective recruitment, dedicated cultivation, devoted attention and bold promotion".

The Company has set up a corporate research institute consisting of eight major schools, which focus on training different important talents, including general managers, factory managers, project managers, senior technicians and reserve cadres, etc. With a view to "inheriting corporate culture and improving employee competencies", the research institute provides a complete set of learning materials and customizes learning programs for talent training centered on four aspects, namely what employees should know and be able to do, processes and statements, professional skills, and self improvement.



2022 outdoor development training for new employees recruited from schools

Case

Management School: Ensure strategic corporate objectives and practise corporate culture for leadership improvement in line with corresponding theory

To improve management leadership, the Research Institute has set up a Management School to train all newly employed, newly appointed and incumbent managers. The Management School trains talented individuals in close combination with the organizational needs for development in three forms: centralized teaching, self-learning and case analysis. It realizes the corporate strategic objectives and practices enterprise cultures in line with the trainees' ideas. The trainees combine theories with practice, accumulate experience and make joint efforts to build an organizational think tank.

Training data



1. In 2022, the training institute's training programs covered **18,955** people, with **463,000** hours of training in total. Each manager received **67** hours of offline training on average.



2. Business units organized **10,944** offline face-to-face lectures in total, with a total of **333,281** hours of training.



3. "E-learning platform of EVE" launched **1,267** internal courses, with each trainee receiving **16.2** hours of online training on average.

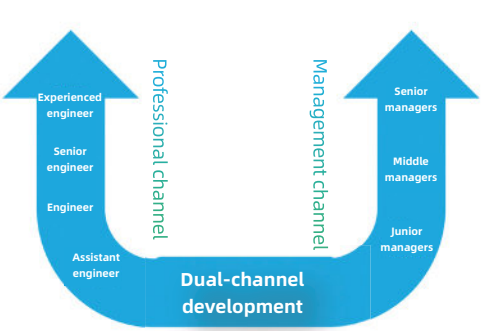


4. Special training (including system training, special training, customized classes and courses) covered **3,905** people in total, amounting to **23,604** hours.

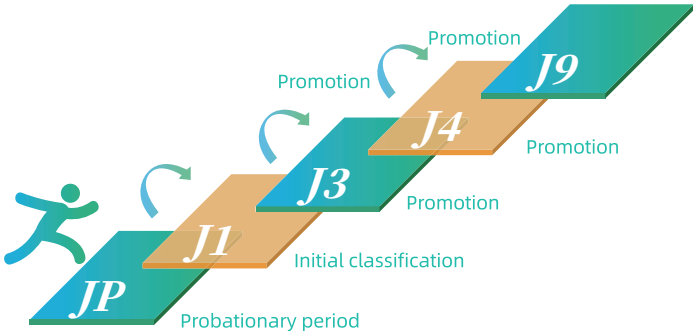
Talent Development

The Company has created a "management channel" and a "professional channel" for career development and established a 9-level technician management system for production personnel. We have made different career development paths available to various talents, helping our employees improve their personal cultural and professional literacy, and enhancing our employees' core competencies, for the ultimate purpose of joint development with our employees.

To develop and encourage our employees and expand their career development, the Company performs performance appraisal for all employees who pass their probation period, and evaluates them on a quarterly basis. These employees will undergo performance appraisal one month after their induction, as well as regular monthly evaluation. In 2022, 66.38% of our promoted employees satisfied the performance requirements, including 73.73% of males and 26.27% of females, respectively.



Dual-channel system for career development



Path for promotion of Level 1 to Level 9 technicians

Employee Concern

Cultural Activities

We vigorously construct activity facilities, and hold a variety of multi-level cultural activities through multiple channels, in order to help employees balance their work with their lives and increase their sense of identity and satisfaction.



Basketball tournament



Badminton tournament



Open day for parent-child activities



Employee birthday party



6th EVE Little Doctor Program



Happy EVE Food Festival at the Tonghu Factory

Mental Health

In order to pay closer attention to our employees' mental health and strengthen our duty of care to them, we have set up a "Soothing House" for psychological counseling. We engage external professionals to conduct one-to-one meetings with our employees free of charge, and advocate "optimistic and happy employment". At the same time, we conduct one-off training sessions related to mental health, in order to increase employee awareness of their own physical and mental condition, and to increase their sense of satisfaction and belonging.



Soothing House at Huizhou EVE Power



Protection of Special Groups

Care for female employees

We protect the health of our female employees, including the creation of a baby care room to identify any risks during pregnancy and breastfeeding, as well as handling any special topics resulting from their physiological characteristics at work.

Protect minors

We ban employment of any persons below the age of 16. At the same time, we protect the legitimate rights and interests of minors. In terms of their growth and development, as well as their needs for receiving compulsory education, we take special labor protection measures to protect their health during work times.

Support employees in difficulty

We have set up a Mutual Employee Assistance Fund to support all employees in need of help.

Baby Care Room





10

Giving Back to Society

The era has endowed the new energy industry with historical opportunities for development. EVE has never forgotten the trust and support it received from society. We always combine our development with our social responsibilities. With great enthusiasm for education and public welfare undertakings, we make great contributions to building a harmonious society.

Topics Addressed in This Section

- Community activities
- Public welfare projects

Contributions to SDGs



Enthusiasm for Education

■ Support for Higher Education

Since 2012, our chairman has made donations for the establishment of "EVE Scholarships" at Wuhan University, the University of Electronic Science and Technology of China, the South China University of Technology and other higher education institutions, in order to support outstanding university students' innovation and entrepreneurship. In 2022, our chairman Liu Jincheng and our controller Luo Jinhong donated RMB 20 million to the South China University of Technology to support its schooling and development.

Hero culture is an important spiritual motivation for consolidating cultural confidence. In September 2022, in order to support the promotion of the value of hero culture and education for spirit inheritance, EVE donated RMB 200,000 to the Tsinghua University Education Foundation to support its further development in patriotism and heroism education for young students, and actively promotes its leading role in the ideology of young people.

Donated RMB **20** million to the South China University of Technology

Donated RMB **200,000** to the Tsinghua University Education Foundation

■ School-enterprise Cooperation

As a global competitive manufacturer of high-quality lithium batteries, EVE attaches great importance to talent training for the industry. In 2022, we entered into a cooperation agreement with the Guilin Institute of Information Technology and established a college of modern industries. We fostered our respective advantages to create broader space for the students' development, cultivate high-quality and high-skilled applied engineering technicians, and inject new vigor into the Company to better serve the Chinese new energy industry.



*Note: This donation was made by Tibet EVE Energy Co., Ltd., the controlling shareholder of EVE.



Support for Community Development

■ Donation of Medical Devices to Support Primary Health Care

In January 2022, EVE Power donated negative pressure ambulances to the Charity Federation and the Health Bureau of Duodao District, Jingmen, Hubei Province, to support primary medical institutions.



■ Care for Retired Military and Police Officers to Show Great Respect

In April 2022, in order to help retired military and police officers get more substantial, warmer and faster support and rewards, the Company donated RMB 80,000 to the Charity Federation of the Zhongkai High-tech Zone, Huizhou to pay tribute to retired military and police officers for their significant contributions to national defense, military construction, and socialist construction.

■ Care for Voluntary Services for Public Welfare and Support for Construction of Civilized Cities

In July 2022, EVE donated materials to volunteers at the Zhongkai High-tech Zone, Huizhou to support their front-line public welfare activities for constructing civilized cities.



■ Heartwarming Volunteer Activities for the Improvement of Human Living Conditions

In June 2022, our CPC members volunteered to take part in the rural cleaning of Sanhe Village, Tonghu Town, Huizhou, to improve the rural human living condition.



Ensuring a Safe Community

We have constantly reinforced our cultivation of emergency rescue capabilities. While supporting our own high-quality development, we protect surrounding residents' personal and property around the community, in order to ensure a peaceful community through joint efforts. The full-time fire brigade of our headquarters, which has been included in the Huizhou "1+N" fire rescue force system and connected to the Huizhou fire system of receiving and dealing with police, cooperates with governmental fire rescue authorities and participates in providing emergency support to the community.



In 2022, our full-time fire brigade supported the extinguishing of two community fires.

▼ On September 5, bushes caught fire inside a parking lot near the Jingmen facility. After detecting the fire, a full-time fire brigade immediately rushed to the site and successfully put out the fire.



▼ On September 12, a concrete delivery truck and an excavator caught fire on a construction site near our headquarters in Huizhou. After discovering the fire, our full-time fire brigade rapidly arrived, and worked together with the fire brigade of Zhongkai District to extinguish the fire.



Afterword



Future Outlook

Under new environments and conditions, with the new vision of "To be the most creative lithium battery company, and make outstanding contributions to sustainable development.", we will boldly move ahead in two major fields, namely "lithium batteries and smart life" and "new energies". We will adopt a global view and benchmark world-class standards while conscientiously conducting our business.

To be the most creative lithium battery company, and make outstanding contributions to sustainable development.



- Further improve our capabilities in terms of "technologies" and "quality", to guarantee the high-quality development of the Company
- Consolidate existing leading market strengths and develop emerging markets
- Improve software and hardware construction, as well as overall competitiveness
- Enhance digital construction and build the industry's lighthouse factories
- Reinforce supply chain management, respond to market fluctuations of raw materials and promote reduction of product costs
- Deepen technical innovation capabilities and enhance competitiveness for product costs
- Establish a customer negotiation mechanism and promote the harmonious development of the industry
- Promote energy conservation and emissions reductions; perform green operations

Index


■ GRI Content Index

Instructions	Information quoted by EVE from the GRI Content Index with reference to the GRI Standard Report from January 1, 2022 to December 31, 2022	
Adopted GRI1	GRI1: Foundation 2021	
GRI Standards	Disclosure	References and Remarks
GRI2: General Disclosures 2021	2-1 Organizational details	Company Profile: Annual Report 2022 - Company Profile and Main Financial Indicators
	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	About this Report
	2-5 External assurance	Verification Report
	2-6 Activities, value chain and other business relationships	Company profile; Annual report 2022 - management discussion & analysis
	2-7 Employees	Equity
	2-9 Governance structure and composition	Corporate Governance Structure, Sustainable Development Management Corporate Annual Report 2022 - Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance Structure
	2-11 Chair of the highest governance body	Chairman and Non-executive Officers
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management, Corporate Governance Structure
	2-13 Delegation of responsibility for managing impacts	Sustainable Development Management, Corporate Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management
	2-15 Conflicts of interest	Corporate Governance Structure
	2-16 Communication of critical concerns	Sustainable Development Management, Corporate Governance Structure
	2-17 Collective knowledge of the highest governance body	Corporate Annual Report 2022 - Corporate Governance
	2-19 Remuneration policies	Remuneration and Evaluation Plan 2022 for Directors and Senior Executive Officers
	2-22 Statement on sustainable development strategy	Message from the Chairman, Sustainability Management
	2-23 Policy commitments	Official Corporate Website - Social Responsibilities
	2-25 Processes to remediate negative impacts	Responsible Sourcing
	2-26 Mechanisms for seeking advice and raising concerns	Compliance Operation
	2-27 Compliance with laws and regulations	Information Security, Environmental Protection
	2-28 Membership associations	About EVE
	2-29 Approach to stakeholder engagement	Sustainability Management

GRI Standards	Disclosure	References and Remarks
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management
	3-2 List of material topics	Sustainability Management
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About the Company
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action
GRI204: Procurement Practices 2016	3-3 Management of material topics	Supply Chain Management
	204-1 Proportion of spending on local suppliers	Supply Chain Management
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Compliance Operation
	205-2 Communication and training on anti-corruption policies and procedures	Compliance Operation
	205-3 Confirmed incidents of corruption and actions taken	Compliance Operation
GRI 302: Energy 2016	3-3 Management of material topics	Efficient Resource Utilization
	302-1 Energy consumption within the organization	Efficient Resource Utilization
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Efficient Resource Utilization
	303-1 Interactions with water as a shared resource	Efficient Resource Utilization
	303-2 Management of water discharge-related impacts	Efficient Resource Utilization
GRI 305: Emissions 2016	3-3 Management of material topics	Climate Action, Pollutant Management
	305-5 Reduction of GHG emissions	Efficient Resource Utilization
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollutant Management
GRI 306: Waste 2020	3-3 Management of material topics	Pollutant Management
	306-1 Waste generation and significant waste-related impacts	Pollutant Management
	306-2 Management of significant waste-related impacts	Pollutant Management
	306-3 Waste generated	Pollutant Management
	306-4 Waste diverted from disposal	Pollutant Management
	306-5 Waste directed to disposal	Pollutant Management
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Supply Chain Management
	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Sourcing
GRI 401: Employment 2016	3-3 Management of material topics	Equity
	401-1 New employee hires and employee turnover	Equity
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits
	401-3 Parental leave	Compensation and Benefits

GRI Standards	Disclosure	References and Remarks
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Work Safety, Occupational Health
	403-1 Occupational health and safety management system	Work Safety, Occupational Health
	403-2 Hazard identification, risk assessment, and incident investigation	Work Safety
	403-3 Occupational health services	Occupational Health
	403-4 Occupational Health and Safety Matters: Worker participation, consultation, and communication on occupational health and safety	Occupational Health
	403-5 Worker training on occupational health and safety	Occupational Health
	403-6 Promotion of worker health	Employee Concern
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health
GRI 404: Training and Education 2016	403-8 Workers covered by an occupational health and safety management system	Work Safety, Occupational Health
	3-3 Management of material topics	Training and Development
	404-1 Somewhat hours of training per year per employee	Training and Development
	404-2 Programs for upgrading employee skill sand transition assistance programs	Training and Development
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Development
	3-3 Management of material topics	Equity
GRI 406: Non-discrimination 2016	405-1 Diversity of governance bodies and employees	Equity
	3-3 Management of material topics	Equity
GRI 408: Child Labor 2016	406-1 Incidents of discrimination and corrective actions taken	No Discrimination
	3-3 Management of material topics	Equity, Responsible Sourcing
GRI 409: Forced or Compulsory Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Equity, Responsible Sourcing
	3-3 Management of material topics	Equity, Responsible Sourcing
GRI 414: Supplier Social Assessment 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Equity, Responsible Sourcing
	3-3 Management of material topics	Supply Chain Management
	414-1 New suppliers that were screened using social criteria	Supply Chain Management
GRI 416: Customer Health and Safety 2016	414-2 Negative social impacts in the supply chain and actions taken	Responsible Sourcing
	3-3 Management of material topics	Product Quality
	416-1 Assessment of the health and safety impacts of product and service categories	Important Products and Services without Significant Impacts upon Health and Safety
GRI 418 Customer Privacy 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No Related Violation
	3-3 Management of material topics	Information Security
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No Related Complaint Received

Verification Report



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE EVE ENERGY CO., LTD.'S CSR REPORT FOR 2022

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by EVE Energy Co., Ltd. (hereinafter referred to as 'EVE') to conduct an independent assurance of the Chinese version of EVE's CSR Report for 2022 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all EVE's Stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of the governing body, directors and the management of EVE.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all EVE's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:GRI Standards 2021 (Reference)

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees onsite at No. 38, Huifeng 7th Road, Zhongkai High tech Zone, Huizhou City, Guangdong Province, P.R.China, interviews remotely of some relevant employees located in other subsidiaries; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

Data tracing on headquarters level, not including original data of all subsidiaries.

The assurance process only involved interviews with the heads of relevant departments and certain employees of headquarters and consultation with relevant documents. No external stakeholder involved.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from EVE, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

The assurance team believes that the Report has referred to all the content and reporting principles in GRI Standards 2021.

Principles

Accuracy

EVE's information in the report was accurate, enable to release more qualitative and quantitative information with indicators for stakeholders.

Balance

The Report followed the balance principle and truthfully disclosed the positive and negative information.

Clarity

The Report was presented different ways with words, charts, graphics and pictures, also described with actual cases to ensure the stakeholders understanding easily.

Comparability

EVE had disclosed performance indicators in 2022, previous data of partial indicators were disclosed, which could help stakeholders to understand and compare the improved performance year by year.

Completeness

The Report included coverage of material aspects and boundaries, to reflect significant economic, environmental and social impacts and enable stakeholders to assess the organization's performance in the reporting period.

Sustainability Context

EVE had presented the efforts on sustainability development related to economic, environmental and social aspects and combined the performance in the wide context as well.

Timeliness

Verification shewn that the reported data and information was timely and effective. EVE disclosed its first CSR report in April 2022 and has disclosed it annually since then, which indicates good timeliness.

Verifiability

The data and information can be traced and verified.

Management Approach

The Report had disclosed the management approach of identified material topics.

General Disclosures

The general disclosures were partly presented in accordance with GRI 2: general disclosures 2021.

Topic-Specific Disclosures

EVE's topic-specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with GRI Standards.

Findings and recommendations

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of EVE for continuous improvement.

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director – Knowledge
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 16th, 2023
WWW.SGS.COM

Feedback

Dear reader,

Thank you so much for taking time out of your busy schedule to read EVE's Social Responsibility Report 2022. For a deeper understanding of your expectations and requirements for our social responsibility activities, we hereby conduct this questionnaire. We sincerely invite you to participate in this survey. Your opinions and viewpoints will be critical for us to improve our social responsibility tasks. We welcome your valuable opinions and suggestions by mail, email or phone. Once again, your support will be greatly appreciated!

Your information

Name: _____ Employer: _____

Tel.: _____ Email: _____

1. In terms of your relationship with EVE, what is your identity?
- ☐Government and regulatory authorities ☐Investor/researcher ☐Employee ☐Communities
- ☐Customer or supplier ☐NGO and media
2. As a whole, are you satisfied with this year’s social responsibility report?
- ☐Satisfied ☐Relatively satisfied ☐Somewhat ☐Disappointing ☐Not satisfied at all
3. Are you able to understand EVE's concepts and practices regarding social responsibilities from this annual report?
- ☐Yes ☐No ☐Somewhat
4. Is the information you are concerned about somewhat reflected in this annual report?
- ☐Yes ☐No ☐Somewhat
5. What expectations or suggestions do you have for next year's social responsibility report?
- _____
6. What expectations or suggestions do you in terms of our social responsibility?
- _____

Contact Information

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