

2021 Corporate Social Responsibility Report



New Energy and New World

2021 CSR Report
Sunwoda Electronic Co., Ltd.

SUNWODA
欣旺达

Corporate Mission

Innovation drives the progress of new energy world

Corporate Vision

To become a respected world-class new energy enterprise

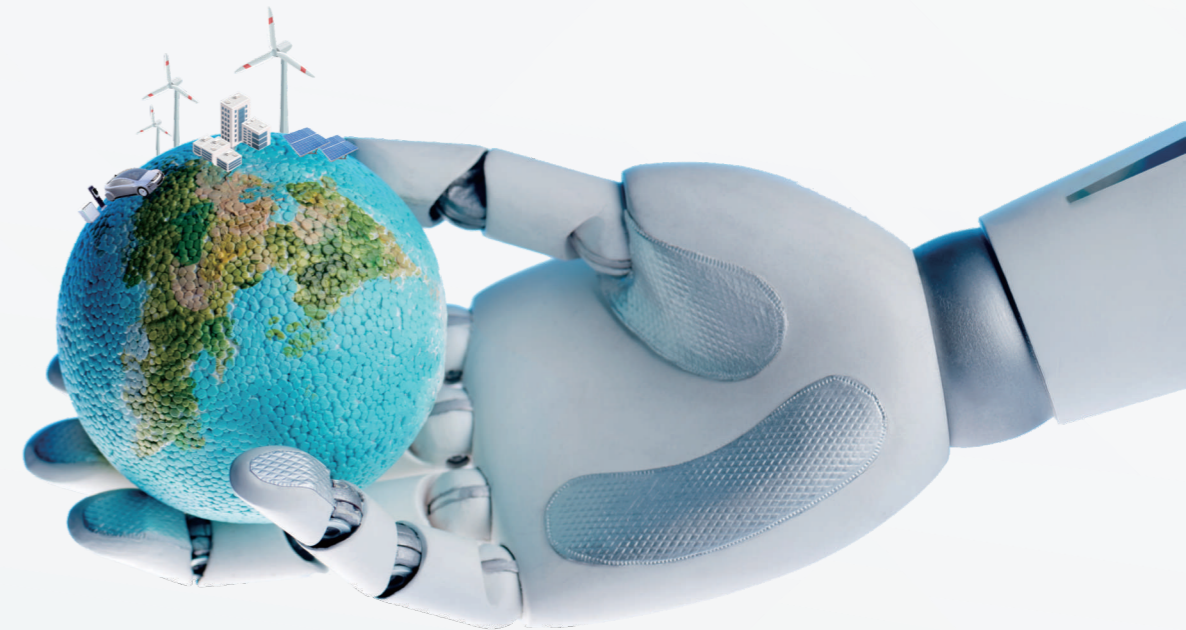
Core Values

Customer Success, Self-Evaluation, Honesty First,
Passionate, Team Work

Corporate Social Responsibility Policy

Adhere to integrity in management, self-discipline, people-oriented,
and fulfill social responsibility

Effectively safeguard the legitimate rights and interests of employees,
and realise harmonious development of company, employees and society



Contents

About This Report
001

Message from Chairman
001

About Sunwoda
001

APPENDIX

2021 Key Performance Indicators 001
Content Index 001
Feedback 001



Responsibility Management 001

- 1.1 Social Responsibility Management
- 1.2 Material Social Responsibility Issues
- 1.3 Responding to the United Nations Sustainable Development Goals and Stakeholder Concerns



Economic Responsibility 001

- 2.1 Organization and Governance
- 2.2 Integrity Construction and Compliance



Customer Responsibility 001

- 3.1 R&D and Innovation
- 3.2 Quality Management
- 3.3 Customer Service



Partner Responsibility 001

- 4.1 Supply Chain Management
- 4.2 Responsible Procurement



Employee Responsibility 001

- 5.1 Labor Management
- 5.2 Talent Management
- 5.3 Employee Care
- 5.4 Occupational Health and Safety



Environmental Responsibility 001

- 6.1 Addressing Climate Change
- 6.2 Clean Technology Opportunities
- 6.3 Environmental Management
- 6.4 Emissions Management
- 6.5 Green Operation



Community Responsibility 001

- 7.1 Disaster and Epidemic Relief
- 7.2 Medical Assistance
- 7.3 Rural Revitalization
- 7.4 Community Involvement

About the Report

This is the second annual social responsibility report published by Sunwoda Electronic Co., Ltd. (hereinafter referred to as "Sunwoda" or the "Company"). Ensuring the principles of materiality, balance and comprehensiveness are applied in the preparation of the Report, we (refer to Sunwoda Electronic Co., Ltd. and its subsidiaries, hereinafter referred to as the "Group" or "we") have detailed our social responsibility performance in 2021 and future plans of the Company and its subsidiaries. This report is available in both Chinese and English versions. If there is any discrepancy between the two versions, the Chinese version shall prevail.

Reporting Period

This is an annual report covering the period from 1 January 2021 to 31 December 2021. Some of the content is appropriate for previous years.

Scope of the Report

Unless otherwise specified, the environmental data and employee occupational safety and health ("OHS") data in this report cover manufacturing companies with assets greater than 5,000,000, including Sunwoda and its 21 subsidiaries, including 7 new subsidiaries added in 2021. All text information and other data (except environmental data and OHS data) cover the entire Group.

Reporting Standards

This report is prepared in accordance with the Basic Framework of the Guidelines for Corporate Social Responsibility Reporting in China (CASS-CSR4.0) issued by the Chinese Academy of Social Sciences, the Global Reporting Initiative Sustainability Reporting Standards, the Environmental, Social and Governance Reporting Guide in Appendix twenty-seven to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited and the United Nations Sustainable Development Goals, taking into account the actual situation of the Group.

Reporting Data

The financial data in this report are derived from the audited financial report of the Company, while other data are from the Group's internal documents and information statistics. Unless otherwise stated, the currency for all amounts is RMB.

Publication Method

This report is published in electronic format and can be downloaded from the official website of Sunwoda Electronic Co., Ltd. at <https://www.sunwoda.com/>.

Contact Information

We will continue to improve the disclosure level of the Report and the Group's social responsibility governance in the future. If you have any questions or suggestions regarding this Report, please feel free to contact the Company:

Sunwoda Electronic Co., Ltd.
Address: No. 2 Yihe Road, Shilong Community, Shiyan Street, Baoan District, Shenzhen, Guangdong Province, the PRC
Tel: 86 0755-29516888
Fax: 86 0755-29516999



Message From Chairman

Wang Wei
Chairman



As one of the leading enterprises in the new energy industry, the Group is well aware of the principle of “large enterprise has greater responsibility”. While promoting the progress and development of the new energy industry, the Group actively undertakes corporate social responsibility and is committed to becoming a “respected world-class new energy enterprise”. The Group's Social Responsibility Management Committee is responsible for supervising social responsibility management. In 2021, under the leadership of the Committee, we continued to improve our corporate governance. By adhering to the policy of “compliance with laws and regulations, integrity management, compliance governance and value creation”, we continued to strengthen supervision and management, strengthen risk control, and actively explore digital audit solutions to respond to new methods of fraud and protect the interests of investors.

Climate change is a global issue of high concern. The Group actively participates in international climate initiatives and has issued the “Double Carbon Declaration” this year, aiming to achieve “net zero emissions” by 2060. To achieve this goal, we implement various energy conservation and emission reduction measures in our plant operations, including improving energy utilization rate and construction of an energy management system, energy conservation transformation and energy conservation publicity and training. In 2021, we have achieved the goal of energy consumption reduction of 10%, with an actual energy saving rate of 11.88%, reducing the annual carbon dioxide emissions by 16,445 tonnes. In terms of products, while consolidating 3C customer lithium-ion battery business, we continued to increase investment in research and development, enhance the research and development and innovation capabilities in the fields of electric vehicle batteries and energy storage batteries, and pursue more efficient use of energy

Talent is the key to Sunwoda's continuous growth. We have launched a mixed talent strategy that focuses on training to supplement abilities of our talents. During the year, we continued to work with various tertiary educational institutions to recruit key talents and established joint training projects with top domestic universities such as Tsinghua University and Central South University to expand the scientific research talent team. We have also launched the “Modern Apprenticeship System” project with Shenzhen First Vocational and Technical School to build strong and skilled talents. We also attract and retain talents through a competitive remuneration structure, sound employee rights, a benefits protection system, and a professional talent training mechanism.

Giving back to the society is the way we fulfill our responsibility as a corporate citizen. Sunwoda Charity Foundation has always adhered to the tenet of “promoting charity spirit, enhancing public awareness and creating a harmonious society through charity activities”, supporting various charitable causes. In 2021, the Group donated a total of RMB 6,790,000 to various charity projects.

The CSR system of Sunwoda has been reviewed and recognized by global peers. We have received accolades and recognitions for fulfilling our corporate social responsibility for supporting poverty alleviation and collaborating with advanced private enterprises in Guangdong-Guangxi poverty alleviation program. In the future, while continuing to actively promote the progress and development of the new energy industry, we will continue to invest resources to fulfill our corporate social responsibility and achieve sustainable development of the Group. We wish to work together with all stakeholders to build a harmonious and green future!

April 2022
Sunwoda Electronic Co., Ltd.

About Sunwoda

Established in 1997 and headquartered in Shenzhen, China, The Group's main business is the development, design, production and sales of lithium battery cells and module. After 24 years of development, we have become a global leader in the new energy battery field. The Group is deeply engaged in six business segments, including 3C consumer batteries, electric vehicle batteries, energy storage systems, smart hardware and energy internet, smart manufacturing and industrial internet, and third-party testing services. We are also committed to providing more green, fast and efficient new energy integration solutions for the society. Thanks to the innovation and R&D, Sunwoda is widely recognized, and won the Shenzhen Mayor Quality Award, a national technology innovation demonstration enterprise. Sunwoda has listed as one of the top 100 industrial enterprises in Shenzhen, one of the top 100 battery enterprises in China and one of the top 500 private enterprises in China. Also, the lithium-ion battery module for smartphones have been recognized as a national "manufacturing single champion" product, and won many awards from customers such as Xiaomi, Vivo and Liuqi..

Nine Global Marketing Branches

North America: Los Angeles, Silicon Valley
Europe: Paris, Hamburg
Asia: Tel Aviv, Seoul, Tokyo, Haiphong, New Delhi

Eight Manufacturing Bases

China: Baoan and Guangming of Shenzhen, Boluo of Huizhou, Lishui of Nanjing, Lanxi of Zhejiang, Nanchang of Jiangxi, Zaozhuang of Shandong
India: New Delhi



Strategic Coverage

With the vision of being based in Shenzhen and serving the world, the Group has established eight major production bases in Shenzhen Bao'an, Shenzhen Guangming, Huizhou Boluo, Jiangsu Nanjing, Zhejiang Lanxi, New Delhi in India, Zaozhuang in Shandong and Nanchang in Jiangxi after more than 20 years of development, and has successfully established technical centers and customer service centers in Los Angeles in the United States, Tel Aviv in Israel, Hamburg in Germany and other regions.



Corporate Milestones

In 1997,
established in
Shenzhen

In 2003, entered into the
supply chain of Lenovo
and ATL

Listed on the ChiNext of
Shenzhen Stock
Exchange in 2011 (stock
code: 300207)

In 2018, the power cell
was officially put into
production and was
selected as one of the Top
500 Chinese Private
Enterprises for the first
time

In 2020, together
with Nissan, the
Company jointly
developed batteries
for e-power models

In 2000, we
commenced cooperation
with Konka, Philips and
Haier

In 2008, we entered the
supply chain of Samsung,
ZTE and OPPO and
obtained the National
High-tech Enterprise
Certification

2017, the 20th anniversary
of Sunwoda establishment,
the establishment of a
power battery cell
subsidiary, and the opening
of Huizhou Industrial Park

The first academician
workstation was unveiled
in 2019

In 2021, power
battery projects were
successively launched
in Jiangxi Nanchang,
Shandong Zaozhuang,
and industrial park
has completed in
Zhejiang Lanxi

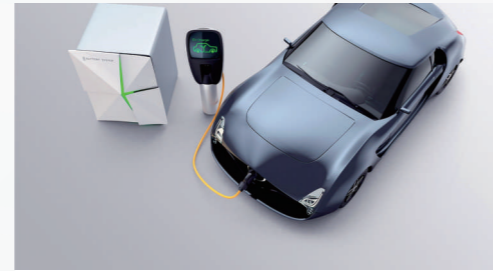
About Sunwoda

Business Segments



3C Batteries

Cellphones Batteries
Tablet & Laptop Batteries
Power Tool Batteries
Mobile Power Banks



EV Batteries

EVB Cells
Battery Modules
Battery Management System
Battery Packs



Energy Solutions

Utility Energy Storage
C & I Energy Storage
Residential Energy Storage
IDC Energy Storage
Integrated Energy Solutions



Intelligent Hardware

Intelligent Home & Health Products
Artificial Intelligence & Accessories
Intelligent Mobility Products
Network & Wireless Devices
Intelligent Commercial/Industrial Devices



Intelligent Manufacturing & Industrial Internet

Design & Production of Core Equipment
Upgrade of Automatic Production Line
Industrial Internet of Things
Intelligent Manufacturing Solutions



Third-party Testing Service

Testing of Battery Cell Materials
Testing of Various Battery Products
International Battery Safety Certification
Chemical & Environmental Testing

Recognitions and Achievements in 2021

In 2021, we received a number of awards, some of which are listed below:

Category	Award/Achievement	Awarding Entity	
Product Brand	• Guangdong Province Science and Technology Progress Award (First Prize for Safety Key Technology and Application of Power Battery System)	People's Government of Guangdong Province	
	• First Prize of the 4th "Zhanfang Cup" 5G Application Collection Competition in Intelligent Park	Ministry of Industry and Information Technology	
	• WBE World Battery Industry Expo Exhibition Gold Award	Organizing Committee of World Battery Industry Expo	
	• Outstanding Supplier	Lenovo	
	• Excellent Supplier Award	Unisplendour Computer	
	• Excellent Quality Award	Honor	
	• Strategic Supplier 2020-2022	Dongfeng Fengshen	
	Corporate Role	• Wang Ming Wang, Director of China EV 100	China EV 100
		• Director of Shenzhen Industrial Internet Industry Association	Shenzhen Industrial Internet Industry Association
• Baoan 5G Industry Technology and Application Innovation Alliance - Vice Chairman Unit		Shenzhen Advanced Electronic Material International Innovation Institute	
Corporate Value	• No. 41 among Top 100 Private Enterprises in Guangdong Province	Guangdong Federation of Industry and Commerce	
	• Shenzhen International Brand Week - Best Practice Award for Enterprise Digital Transformation	2021 Guangdong-Hong Kong-Macao Greater Bay Area Digital Development Summit Forum	
	• Ranked 344th in Fortune China 500 in 2021	Fortune	
	• 5th in Top 100 China Light Industry Technology Enterprises	China National Light Industry Council	
	• Top 10 Green and Low-carbon Enterprises	Shenzhen Ecological Environment Bureau	
	• Shenzhen's first pilot projects for near-zero carbon emission zones	Shenzhen Ecological Environment Bureau	
	• 2021 Auto Parts Enterprises Green Development Index AA Enterprises	The China Automotive Technology & Research Center	
	• Member of Guangdong Private Entrepreneur Think Tank-Wang Ming Wang	Department of Industry and Information Technology of Guangdong Province	



Responsibility Management

The Group fulfills its corporate social responsibility, integrates the concept of responsibility management into daily management, and promotes comprehensive sustainable development. As a global corporate citizen, the Group actively responds to the United Nations Sustainable Development Goals, identifying nine of them as highly relevant to the Group's operations and listing the main contributions.

Social Responsibility Management | Material Topics | Responding to the United Nations Sustainable Development Goals and Stakeholder Concerns



SUSTAINABLE DEVELOPMENT GOALS



Social Responsibility Management

The Group earnestly fulfills its social responsibility related obligations. The "Social Responsibility Manual" (the "Manual") established in 2011 is a guiding document of the Group's social responsibility management system, which stipulates "operating with integrity, self-discipline and people-oriented, fulfilling social responsibilities". We earnestly safeguard the legitimate rights and interests of employees and realize the social responsibility policy of harmonious development between the Company, employees and the society. The Group continues to learn internationally recognized standards and leading management methods, continuously improves the social responsibility manual and the internal social responsibility management methods which could promote sustainable development of the Group.

Social Responsibility Objectives

CSR training coverage: **100%**
Business ethics complaints from related parties: **Zero**

The Group has established a Corporate Social Responsibility (CSR) Management Committee, chaired by Mr. Wang Wei, the Chairman of the Board, to lead the Group's CSR management matters. Under the leadership of the Committee Chairman, we are committed to integrating economic, environmental and social considerations into the Group's decision-making process and continuously improving the social responsibility management framework.

Corporate Social Responsibility Management Committee

Chairman

Mr. Wang Wei, Chairman of the Board, is responsible for overseeing and auditing the CSR development strategies, policies and overall strategy formulated by the committee

Vice Chairman

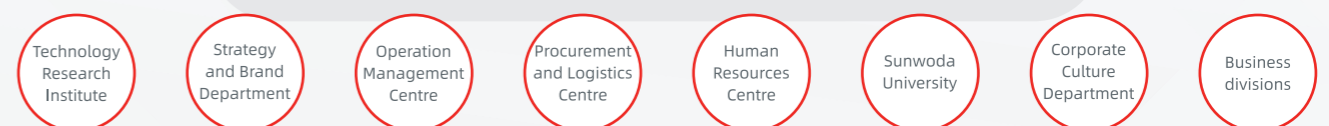
The Company has set up three vice chairmen of the committee, who are heads of the Risk Control and Audit Department, Quality Centre and Administrative and Safety Centre of the Company. They are responsible for leading the committee members to formulate CSR-related management systems and promote the implementation of CSR development strategies and policies. The person-in-charge of the quality center, as the main coordinator of the annual CSR report, promotes the data collection and report compilation of the annual CSR report

Secretary-General

Acting by the Secretary to the Board, responsible for organizing CSR meetings within the Group and reviewing the annual CSR report

Member

Supervise and promote CSR management of the issues they are responsible for



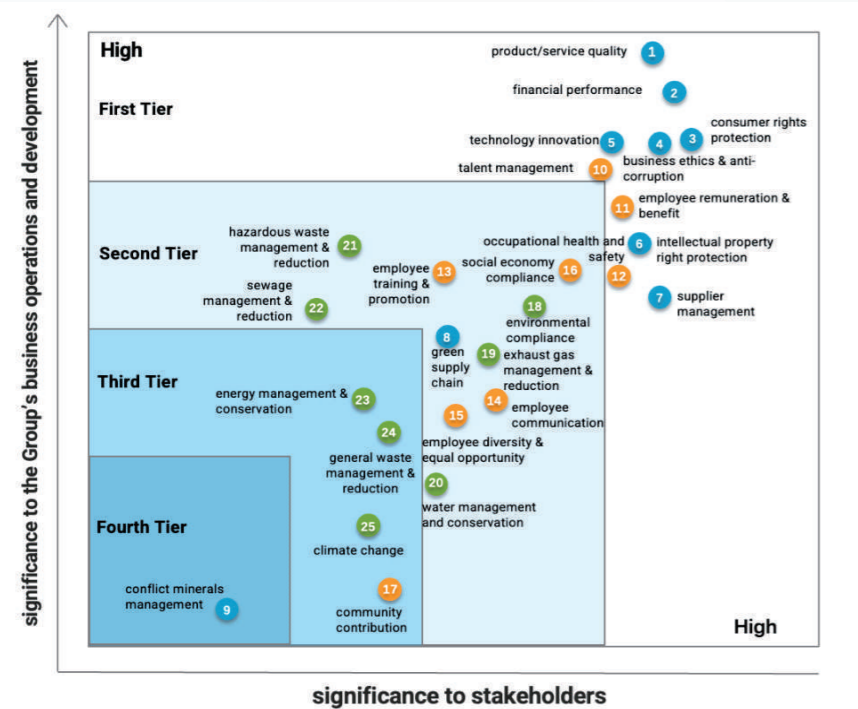
Responsibility Management

Material Topics

With reference to the "Global Reporting Initiative Sustainability Reporting Standards", the Group invited stakeholders including employees, customers, suppliers, investors, banks, media institutions, governments and regulatory authorities, non-governmental organizations, as well as the Group's management representatives to participate in an online questionnaire survey for 22 potential topics through four steps of identification, ranking, confirmation and review last year. A total of 4,155 valid questionnaires were received. After prioritization, material topics that have a significant impact on the environment, society and economy due to the Group's operations were identified. As the Group conducts a materiality assessment every two years, the identified material topics remain valid, and the actions taken to address the relevant topics are disclosed in this report.

Materiality Matrix

Topics located in the first-tier region are material topics, either generating significant impact to society, economy and environment or having substantive influence on stakeholders' decision-making process.







- Operation Topics
- Social Topics
- Environmental Topics

Responding to UN Sustainable Development Goals and Stakeholder Concerns

Material Issues and the UN Sustainable Development Goals	2021 Key Action/ Key Performance	Corresponding Chapters
 SDG 7 Affordable and Clean Energy 7.1 Ensure universal access to affordable, reliable and modern energy services	Product and Service Quality <ul style="list-style-type: none"> The product qualification rate of all major business segments of the Group was close to 100% during the reporting period Two new subsidiaries passed ISO9001 and QC08000 certification Set up an attack team and expert team to carry out quality management related work Carried out a number of quality culture activities: quality mobilization conference, evaluation and commendation of quality benchmark, establishment of quality talent ladder training mechanism, and various quality improvement activities continuously Increase the investment of resources in product quality and safety 	Customer Responsibility
 SDG 9 Industry, Innovation and Infrastructure 9.4 Increased adoption of clean and environmentally friendly technologies and industrial process 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries	Customer and Consumer Protection <ul style="list-style-type: none"> Steady improvement in customer satisfaction in 2021 New "Privacy Protection Management Regulations" Completed the first industrial network protection operation organized by the Network Police Headquarters of Guangdong Provincial Public Security Department Improve the construction of information security and privacy management system, introduce face recognition system, and carry out differentiated privacy protection in each company under the framework of the Group's guidance 	Customer Responsibility
	Technology Innovation <ul style="list-style-type: none"> Sunwoda academician (expert) workstation successfully passed the evaluation and acceptance, during its operation, 15 patents were applied for related topics among which 6 invention patents were authorized. R&D investment expenses [-] million RMB The technology of "non-fire battery" won the first prize of Guangdong Provincial Science and Technology Progress 	Customer Responsibility
	Intellectual Property Protection <ul style="list-style-type: none"> 540 new patents were granted and 995 new patent applications were filed Improved the intellectual property protection and management system, and conducted FTO (Free To Operate) analysis of all products prior to market launch to identify patent risks Regular IP-related training Constructed a technology mapping diagram to understand the industry patent application situation and lay the foundation for patent layout 	Customer Responsibility
	Supplier Management <ul style="list-style-type: none"> In 2021, the Group conducted social responsibility audits on a total of 218 suppliers. No supplier has been rejected for social responsibility failure during the year Integrating environmental, employee and social responsibility requirements into supplier vendor assessments 	Partner Responsibility
	Corporate economic performance <ul style="list-style-type: none"> Income 37.36 RMB billion Net Profit 0.92 RMB billion Earnings per share 0.58 RMB 	Economic Responsibility; Sunwoda 2021 Annual Report
 SDG 16 Peace, Justice and Strong Institutions 16.5 Substantially reduce corruption and bribery in all their forms	Business Ethics and Anti-Corruption <ul style="list-style-type: none"> Award "Baoan District Integrity Compliance Model Enterprise" Added "Anti-Bribery Management Regulations" and "Compliance Effectiveness Assessment Management Regulations" to improve anti-corruption system construction Carry out integrity culture promotion activities. During the year, 15 integrity compliance training sessions were organized, totaling 32.5 hours, with more than 1,500 participants Anti-corruption digital construction, through the integration of big data, modeling and analysis of new fraudulent means to achieve off-site monitoring and early warning 	Economic Responsibility

Responsibility Management

Material Issues and the UN Sustainable Development Goals	2021 Key Action/ Key Performance	Corresponding Chapters
 <p>SDG 8 Decent Work and Economic Growth 8.4 Provide decent work and equal pay for equal work 8.6 Significantly reduce the proportion of young people not in employment and education or training 8.7 End all forms of child labor</p>	<p>Talent Management</p> <ul style="list-style-type: none"> • Carry out the construction of learning maps for professional colleges, skill development programs, and vocational skill level evaluation • Complete the upgrade of digital learning platform and develop virtual simulation training and assessment system • School-enterprise cooperation to enrich the talent pool, promote skill development projects with vocational schools, and jointly train professionals with universities • A total of 27,697 people have been trained in 2021, with a total of 5.66 hours of training per person 	Employee Responsibility
 <p>SDG 10 Reduced Inequalities 10.2 Ensure equal opportunity and reduce inequality of outcomes</p>	<p>Employee Compensation and Benefits</p> <ul style="list-style-type: none"> • Salary adjustment based on personal qualities and performance appraisal • Implementation of Employee Stock Purchase Plan • Improve the welfare system and the welfare of production line workers • Set up employee welfare housing "Xinjiayuan" to solve the pressure of employee housing • Increased benefits such as rank allowance, peak season allowance and banding incentive 	Employee Responsibility
 <p>SDG 7 Affordable and Clean Energy 7.2 Significantly increase the share of renewable energy in the global energy ratio</p>	<p>Environmental Issues</p> <ul style="list-style-type: none"> • Start the work of "Carbon Peak - Carbon Neutral" and set up a Dual Carbon planning group to clarify work ideas and action plans • Committed to achieving "net zero emissions" by 2060 through carbon reduction in five areas: building a low-carbon park, applying industrial internet technology, expanding electric vehicle battery business, promoting photovoltaic energy storage, and participating in carbon sink projects. • Carried out a number of energy saving and emission reduction measures, achieving 11.88% energy saving • Established the "Energy Technology Sector" to focus on the research and development and promotion of energy storage and integrated energy— [To be confirmed.] 	Environmental Responsibility
 <p>SDG 12 Responsible Consumption and Production 12.4 Achieve environmentally sound management of chemicals and all wastes throughout their life cycle 12.5 Significant reduction in waste generation</p>		

Material Issues and the UN Sustainable Development Goals	2021 Key Action/ Key Performance	Corresponding Chapters
 <p>SDG 1 No Poverty 1.A Eliminate all poverty</p>	<ul style="list-style-type: none"> • Donated more than 2.95 million RMB to support the flooding in Zhengzhou • Donated the epidemic prevention materials for community workers and medical staff on the front line of the epidemic fight 	Community Responsibility
 <p>SDG 3 Good Health and Well-being 3.3 Fight against hepatitis, waterborne diseases and other infectious diseases</p>	<ul style="list-style-type: none"> • Participated in medical aid: Donated to a children's care space and a love kitchen for children with blood disorders 	Community Issues
 <p>SDG 4 Quality Education 4.a Safe, non-violent, inclusive and effective learning environments for all</p>	<ul style="list-style-type: none"> • Contributed to the work of rural revitalization from education revitalization, consumer poverty alleviation and social revitalization: Consumption to help the poor amounted to 3.64 million, donated love school uniforms and nutritious breakfast to rural elementary school, and visited orphans and widows in rural areas during the Spring Festival • Sent condolences and celebrated the birthday of the month for the elderly • Care for front-line community police, front-line traffic police and sanitation workers, sending them condolence materials 	Community Responsibility

Economic Responsibility

The Group continuously improves its organizational and governance structure, strictly complies with applicable laws and regulations, attaches great importance to integrity construction, and enhances the level of business management and comprehensive ability.

Organization and Governance | Integrity Construction and Compliance



Organization and Governance

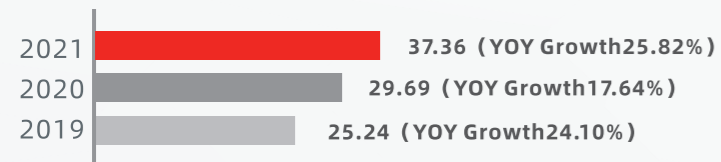
Organizational Structure

Sunwoda strictly complies with the "Company Law", "the Securities Law" and other relevant laws and regulations, and continuously improves the internal control system and organizational structure. The Group has established a compliance management organizational structure with the Board and the Audit Committee at the decision-making level, the senior management team and compliance officer as the management, and the compliance management department and each business department at the execution level. Each organization exercises its powers in accordance with the law, and relevant departments perform their duties in accordance with the regulations, forming a management structure with clear powers and responsibilities, separate duties, checks and balances, and standardized operations. As of the end of 2021, the Company's organizational governance structure was as follows:

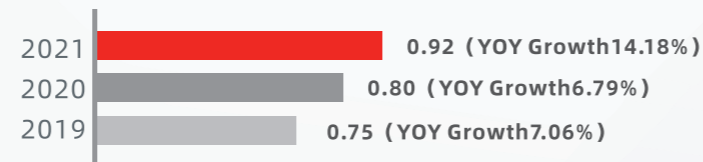


Key performance indicators to be supplemented ¹

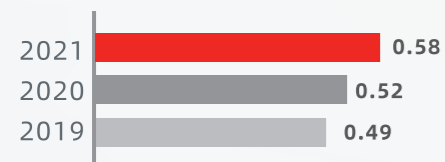
Operating income (RMB billion)



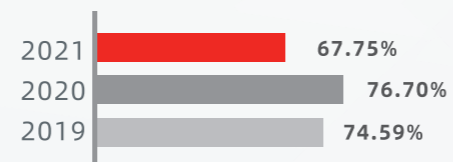
Net profit (RMB billion)



Earnings per share



Gearing ratio



¹ For detailed economic performance, please refer to the 2021 Annual Report of Sunwoda Electronic Co., Ltd.

Adhering to the policy of "compliance with laws and regulations, integrity management, compliance governance and value creation", the Group has deepened compliance management. The Risk Control and Audit Department takes the lead to ensure that the Group operates in compliance with laws and regulations. The Group systematically improves the systems related to integrity and moral behavior management, anti-fraud management and compliance management, and publishes them on the Group's official website as needed to ensure that all work is conducted in accordance with the rules and regulations. In 2021, we added the "Anti-Bribery Management Regulations", "the Compliance Effectiveness Evaluation Management Regulations" and other systems regulations, and formulated the "Compliance Code of Conduct" to further consolidate the institutional foundation.



Economic Responsibility

Shareholders' Meeting

The Company convenes and holds shareholders' meetings in strict accordance with the "Company Law", "the Rules Governing General Meetings of Listed Companies" and other laws and regulations to ensure that shareholders have full rights to speak at shareholders' meetings and that all shareholders, especially the small and medium-sized shareholders, enjoy equal status and fully exercise their rights. 2021, the Company held 5 shareholders' meetings and considered 41 motions.

Board of Directors

The Board of the Company consists of seven directors, including three independent directors. When appointing Board members, we fully consider factors such as professional diversity and independence. The Board of the Company comprises industry experts and other professionals with the necessary knowledge, skills and qualities to discharge their duties. In 2021, the Company held a total of 16 Board meetings, at which 89 proposals were considered.

Board of Supervisors

The Company has three supervisors, including one employee supervisor. The supervisors are responsible for supervising the legality and compliance of the Company's significant events, financial position and performance of duties by the Directors and senior management.

Standardize Information Disclosure

The Group discloses commercial information and activities in strict compliance with the "Administrative Measures for the Disclosure of Information of Listed Companies" and other laws and regulations as well as major industry practices. The Group has formulated system documents such as the "Information Disclosure Management System", "Investor Relations Management System" and "Material Information Internal Reporting System" to ensure timely, true, accurate and complete disclosure of information to investors. In addition to the special hotline, special fax, special mailbox and other channels, the Company maintains close communication with investors through interactive Q & A, on-site investor research and participation in strategy meetings organized by securities firms.

Integrity Construction and Compliance

All business activities of the Group measure up to the highest standards of integrity and we prohibit any form of bribery, corruption, extortion and embezzlement. The Group strictly complies with all applicable anti-corruption laws and regulations in the countries or regions where it operates.

The Group strictly abides by national laws and regulations, actively responds to national policy guidelines and calls, continuously consolidates internal risk control, legal compliance, audit supervision and other work, and has established a compliance management system with comprehensive coverage, clear responsibilities, and efficient execution to ensure the Group's operations are in compliance with all applicable laws and regulations. The Group has established a sound anti-fraud management system, including the "Anti-fraud Management Regulations", "Integrity and Ethical Behavior Management Regulations" and "Business Ethics Management Regulations", which set out the behaviors that may constitute corruption and corresponding punishment measures to urge employees to practice integrity and prevent employees from using their positions and powers to seek improper benefits.

Governance Structure

The Board directly guides and supervises anti-fraud work. The management is responsible for establishing, improving, and supervising the implementation of anti-fraud procedures, and reports to the Board of Directors, the Board of Supervisors, and the Audit Committee on anti-fraud management at least once a year. The Risk Control and Audit Department is the leading internal anti-fraud department, and the Inspection and Audit Department is set up under it to carry out specific anti-corruption and anti-fraud related work. The team is under the direct authority of the Board of Directors to ensure its full independence at the governance structure level.

Based on the principle of "strict prevention and emphasis on prevention", the Risk Control and Audit Department continuously establishes and improves the anti-fraud mechanism, clarifies the key areas and key aspects of anti-fraud work and the responsibilities of each business department, and reports directly to the Board of Directors, the Board of Supervisors and the Audit Committee on a quarterly basis, including the progress of work in the previous quarter, the quality of work, the significant problems found, and the work plan of internal audit for the next quarter.

In 2021, in order to promote the goal of internal compliance construction and to continuously prevent and reduce compliance risks, the Group specifically established a compliance management center and built an organizational structure and institutional system to further improve the operational mechanism and culture construction in 2022.

Risk control and Audit department annual work focus:

- System build-up: During the year, the "Anti-Bribery Management Regulations" were added and the "Integrity and Ethical Conduct Management Regulations" and the "Anti-Fraud Management Regulations" were revised to ensure the perfection and applicability of the system.
- Transformation of anti-corruption prevention management integrate with artificial intelligence: actively explore big data auditing, modeling and analysis of new fraudulent means through integration of big data to achieve off-site monitoring and early warning.
- Operation mechanism: build compliance management system; plan compliance and monitoring information construction program to improve management level and operational efficiency; further open up integrity reporting channels and improve the quantity and quality of reporting information
- Publicity and implementation of integrity culture: The Company continued to carry out diversified publicity activities on integrity and compliance culture, commended departments with integrity and anti-corruption, issued notices and warnings on violations, and promoted positive energy and warned violations

Risk Management

The Risk Control and Audit Department, in accordance with the "Group's Audit Work Plan Management Regulations" and the requirements of regulatory authorities, focuses on the objectives of "anti-corruption, prevention and elimination, ensuring operational compliance, risk control and efficiency, and promoting healthy development of the Company", and, in accordance with the principle of risk-oriented audit, includes business entities that have reached the materiality level in the scope of audit and conducts annual special audits and internal control evaluations in order to eliminate or reduce the various possibilities of risk events and the losses caused when they occur.

In 2021, the Group carried out various audit specials around the requirements of policies and regulations, such as the "Guidelines for the Standardized Operation of Companies Listed on the Shenzhen Stock Exchange", "the Customs Law of the People's Republic of China", external management system standards and internal management systems, including audits of fund raising, import and export business, quotation audits, contract management audits and information security audits. Through the special audit work, risk loopholes were identified, and timely targeted leak detection and remediation was carried out, while manual control nodes were promoted to automatic system control with the help of IT system to enhance the efficiency and effectiveness of anti-fraud management. In this year's risk testing work, no major risk points were found.

Economic Responsibility

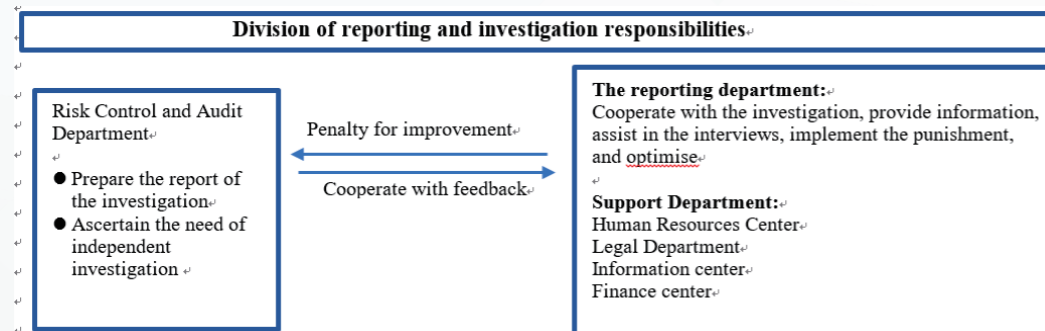
Whistle-blowing Mechanism

The whistle-blowing mechanism is one of the main channels the Group uses to detect fraud. In 2021, the Group revised the "Regulations on Reporting Acceptance and Investigation" to further open up the reporting and complaint channels, and encourage employees and stakeholders to report violations, indiscipline, violations, fraud and behaviors that damage the Company's interests and image anonymously or on a real-name basis. If the reported incident is confirmed after investigation, the whistleblower is rewarded accordingly.

The Risk Control and Audit Department is responsible for handling all kinds of reports and complaints, following up and investigating, and making suggestions for handling them. All reports related to acts of corruption are handled by the Risk Control and Audit Department in accordance with the "Administrative Regulations on Reporting Acceptance and Investigation" and so on.

Five reporting channels

1. Email:
jubao@sunwoda.com
2. Telephone reporting:
0755-23053561 or 18126270617
3. Official website of the Company:
Whistleblowing platform:
www.sunwoda.com/jubao
4. Reporting by letter:
No. 2 Yihe Road, Shilong Community,
Shiyan Street,



Reporting acceptance process

If the reported case is found to be true after investigation, the reported person will be punished according to the "Reward and Punishment Management Regulations. Major rewards and punishments will be handled after approval by the Chairman of the Board of Directors. For those who have violated the law, they will be referred to the judicial authorities for handling. The Group also evaluates the reported incidents afterwards and forms a written report to further improve the internal control system and form a closed-loop management. All whistleblowing investigations are conducted in a confidential manner and no correspondence is allowed to the whistleblower.

Whistleblower Protection

The Group has formulated the Regulations on the "Management of Whistleblower Protection", which sets out the protection measures for whistleblowers, strictly punishes retaliation against whistleblowers, and protects the legitimate rights and personal safety of whistleblowers. During the investigation process and subsequent publicity, any information related to the identity of the whistleblower and the progress of the investigation are strictly and properly preserved. In addition, we strictly prohibit the reported person from obtaining the information of the reported person in any form. The reported person cannot violate this regulation. If the whistle-blower or his/her relatives face any personal threats due to the reported incident, the Group assists the whistle-blower in seeking legal assistance.

Integrity Culture

The Group focuses on cultivating self-discipline and attention to integrity issues among management and staff to form an anti-corruption and anti-corruption atmosphere for clean operations. Through integrity training, case publicity, video publicity, official account, organization publicity month and other forms, we are striving to create a clean and honest working environment. In 2021, we continued to carry out diversified integrity and compliance culture publicity activities and organized a total of 15 integrity and compliance training sessions with a total of 32.5 hours and more than 1,500 participants.

In addition to participating in routine publicity and education activities, the management of the Group also demonstrates "active compliance" at the leadership level by recording integrity publicity videos, participating in compliance training, and signing compliance commitment letters, so as to achieve the "three no" culture that dares not to corrupt, does not want to corrupt, and cannot corrupt. We organize employees to conduct self-inspection and self-correction through self-inspection on integrity and ethics, so as to standardize the integrity of their work behaviors, thereby reducing the integrity risks of the organization at all levels. The Company has established the "Detailed Rules for Integrity Management of Sensitive Positions for employees" in sensitive positions to carry out hierarchical and classified management functions, and established corresponding management and control measures in the process of induction, on-the-job, promotion and resignation.

Zero Tolerance for Supplier Fraud

While strengthening self-restraint and building up a integrity defense line, Sunwoda always practices the sunshine procurement concept of "fairness, equity and openness, quality first, price priority", actively creates an honest and compliant business environment, and eliminates any commercial corruption and fraud in the supply chain.

In terms of supplier management, Sunwoda passes on the integrity requirements and culture to suppliers through on-site audit supervision, on-site visits and on-site lectures. The Group requires both parties to sign the "Basic Guidelines for Supplier Cooperation" at the beginning of cooperation, which contains specific requirements on common guidelines for cooperation, anti-commercial bribery and anti-bribery, anti-business fraud, and terms of responsibility for breach of contract. During the process of cooperation, the Group promotes integrity advocacy letters to suppliers and requires them to sign the "Letter of Commitment to Integrity and Integrity" and organizes annual integrity self-examination to deepen their awareness of integrity and honesty. Besides, the Group will conduct special and investigative audit projects as appropriate to verify the integrity performance of relevant suppliers in the cooperation process. The Group would conduct special and investigation audit projects to verify the integrity performance of relevant suppliers during the cooperation process.

Customer Responsibility

The Group is customer-centric, and continuously improves customer satisfaction through strict quality supervision and continuous R & D innovation.

R & D Innovation | Quality Management | Customer Service



R&D and Innovation

Industry-Academic Research Construction

The Group focuses on enhancing innovation capability and upholding the spirit of innovation to continuously provide customers with more creative and forward-looking solutions. Around the main business, the Group has established a number of R&D center, power R&D system, intelligent hardware research institute and other R&D institutions. At the same time, we cooperate with a number of well-known universities and research institutes in China, such as Tsinghua University Shenzhen International Graduate School, Songshan Lake Materials Laborator, in the fields of lithium battery technology and battery materials, to provide a continuous source of power for product development and technological innovation.

Sunwoda cooperates with Nankai University to establish a joint laboratory for advanced batteries, giving full play to the scientific research advantages of Chen Jun's team in core materials of lithium-ion batteries and new electrochemical energy storage devices, developing technology reserves for the new generation of high-performance battery industry, and serving the national "Dual Carbon Target" and energy revolution.



We established a joint training base for graduate students with Central South University, giving full play to the respective advantages of both sides, actively exploring the transformation of scientific and technological achievements on the ground, and jointly creating a demonstration platform for the training of high-level applied talents.



During the year, the Academician Sunwoda (Expert) Workstation successfully passed the assessment and acceptance of Shenzhen Association for Science and Technology.

The academician workstation and advanced battery joint laboratory have formed a series of industry-leading innovative research facilities for dealing with issues such as range anxiety, lithium resource constraints and lithium battery safety, which is an innovative practice of the Company's in-depth integration of industry, academia and research. Guided by product development and application needs, the workstation has laid a solid foundation for overcoming the "bottleneck" technology in the new generation battery system through complementary advantages of both parties, accelerated the implementation of the Company's cutting-edge scientific and technological achievements, and played an excellent role in the cultivation of the Company's scientific and technological innovation team and the output of high-level talents.



Technology R & D investment in 2021
2.33RMB billion



Number of new patent applications
995 items
Number of ne patents granted
540 items



Customer complaint resolution rate
100%

Customer Responsibility

Academician of Sunwoda

In 2018, the Company and Academician Chen Jun of Nankai University jointly established an academician workstation and completed the opening in March 2019. On the basis of the academician workstation platform, the two parties established a joint laboratory for advanced batteries to jointly study the key materials and technologies of new lithium/sodium batteries, mainly including high-performance lithium sulfur pouch batteries, high-performance solid-state batteries, sodium ion batteries, etc. During the operation of the workstation, significant progress has been made in related topics, with 15 patents applied, including 6 authorized invention patents. Both parties successfully completed the established research objectives, and will continue to conduct in-depth discussions on the energy storage application of sodium ion batteries and the power application of solid-state lithium batteries in the next step.

R&D innovation mechanism

By formulating a R&D innovation incentive system, the Group rewards outstanding R&D personnel or teams, creates a good cultural atmosphere of technological innovation, and motivates employees to innovate.

- Innovation guidance: Guiding R&D personnel to come up with innovative ideas from multiple dimensions such as company management orientation, market trends and customer promotion
- Mechanism guarantee: Develop a guaranteed mechanism for employees to develop new technology and continuously improve the research and development sector, and carry out research and development innovation in multiple directions such as market, product, and technology
- Employee incentives: regular skills training to ensure the growth of employees; issue funds for patents and special projects, and set fund incentives for continuous improvement proposals

R & D investment
2.33RMB billion

Patent incentives
RMB 20,650,000,000

LIPD process

LIPD process is a multi-level, regulated and systematic approach to new product development. It aims to develop high-value, high-margin products within the shortest time and the priority of resources is assured. The LIPD process consists of four stages: concept, planning, development and verification & release. It has an efficient development process and a scientific management model to ensure the stable and repeated development of new products, effective control of the process, guaranteed quality of design, and efficient cost-effectiveness of the Company.

KMS

Knowledge Management

KMS knowledge management is based on a digital platform to facilitate people-oriented and knowledge-oriented management, aiming to accelerate the enterprise's "invisible knowledge and explicit knowledge standardization", gradually build a management system for the benign accumulation and management of enterprise knowledge, and finally form a valuable knowledge asset database.

As a leading enterprise in the field of lithium-ion batteries, the Group has participated in the preparation of a number of national standards. The following five participated standards are newly prepared in 2021.

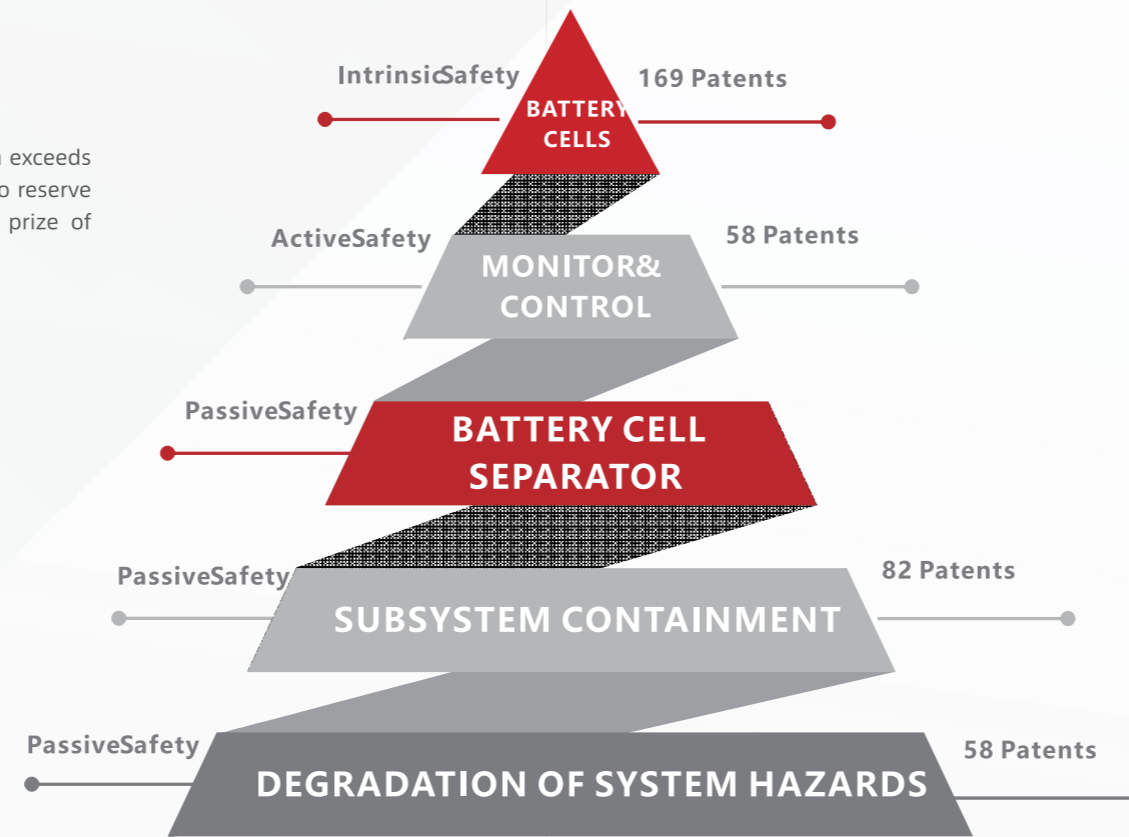
Status of Engagement	Standard name
Participation	Safety Requirements for Electric Vehicles Term for manufacturing lithium-ion batteries Safety Technical Specifications for Lithium-ion Battery and Battery Pack for Stationary Electronic Equipment Specification of Communication Interface for Lithium-ion Battery Production Equipment Electric passenger vehicle sharing and power station construction standards
Editor-in-Chief	Safety requirements for lithium-ion batteries and battery packs for portable electronic products Safety Production Standards for Lithium-ion Battery Enterprises General specification of mobile power for portable digital devices

Customer Responsibility

Design of System Security 5-layer Safety Design

R&D and Innovation Achievements

The Group has independently developed the "No Fire Battery" technology, which exceeds the national standard of the "three compulsory standards" for electric vehicles to reserve at least 5 minutes of safe escape time for passengers and has won the first prize of Guangdong Science and Technology Progress Award.



5-layer safety design
from subcomponent to whole system

No fire or explosion
of battery system

Thermal runaway alert
identification rate **>70%**

Accuracy **100%**

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Industry Exchange and Cooperation

The Group attaches great importance to industry exchanges, actively participates in new energy industry exchanges and sharing sessions. By the end of 2021, we participated in 7 industry exhibitions and 10 conference events. Among them, we participated in the annual meeting of China Electric Vehicle Council of 100, 2021 Power Battery Technology Forum and Advanced Battery Material Cluster Development Forum and other top domestic conferences to fully demonstrate the advanced technology level and manufacturing capability of our power battery to the outside world.



China International Battery Technology Exchange Conference (CIBF)



IBA (International Battery Association) International conference

Customer Responsibility

2021 Industry Networking Event	
The 14th China International Battery Technology Fair (CIBF)	Annual Meeting of the Electric Vehicle Committee of 100 at Diaoyutai Hotel
Shenzhen Industry Exhibition and 2021 China (Shenzhen) International Battery Technology Summit	The 8th International Energy Saving and New Energy Vehicle Thermal Management Industry Conference and Exhibition
The first anniversary of the opening of the Bay Area New Technology and New Products Exhibition Center and the 'Baoan Release' event	2021 (1st) Two-wheeled Electric Vehicle Power Exchange Industry Innovation Alliance Conference
The 34th World Electric Vehicle Congress and Exhibition	2021 Global Automotive Thermal Management System Innovation Technology Conference
New Energy Vehicle Industry Development Achievements Exhibition	The 4th International Symposium on Advanced High-Power Batteries
WEB World Battery Industry Expo	2021 IBTE Shenzhen International Battery Technology Exhibition and China International Lithium Technology Development Summit
2021 The 3rd Global New Energy and Intelligent Vehicle Supply Chain Innovation Conference	2021 Advanced Battery Materials Cluster Industry Development Forum
2021 International Forum on Power Lithium Battery Technology and Industry Development	CBIS 5th International Summit on Power Battery Applications
GaoGong Lithium Electric Vehicle Annual Meeting	
Attended and spoke at the "2021 3rd Global New Energy and Intelligent Vehicle Supply Chain Innovation Conference".	
Participated in the preparation of a major project of the Committee of 100, "Research on the goal, path and policy of achieving carbon neutrality among automobiles, transportation and energy"	
Participated in the "Pioneer the Possible - Sino-Swiss Forum on Zero Fossil Fuel Use in Transportation"	

In October 2021, under the guidance of Shenzhen Industrialization and Information Bureau, the "2nd Advanced Battery Material Cluster Industry Development Forum 2021" was successfully held under the general title of Sunwoda, and Liang Rui, vice president of the company, was the co-chairman of the conference on behalf of Sunwoda. The conference actively responded to the national dual carbon policy and focused on the theme of "innovation leads to carbon neutrality, cluster aggregates new forces", taking the pulse of the industry trend and providing new ideas for the lithium battery industry.



Opening speech by Sunwoda founder Mingwang Wang



Keynote Speech

The 7th China Electric Vehicle Council of 100 Forum themed "New Development Pattern and Automotive Industry Change" was held in Beijing in 2021. As a member of the Council of 100, Sunwoda focused on the form and policy of the development of new energy vehicles in the 14th Five-Year Plan and had in-depth discussions on the form of industry development, policies, and layout priorities in the new phase.



Chen Binbin, President of Sunwoda Battery System Research Institute, delivered a speech



Liang Rui, Vice President of Sunwoda, interviewed by the media

In October 2021, Sunwoda participated in the International Forum on Power Lithium Battery and Industry Development as an important event organizer and gave a welcome speech on behalf of Shenzhen Battery Industry Association. The forum is the largest, highest level and most influential high-end academic event in the national and global power lithium battery industry. Academicians such as Chen Liqun, Wu Feng, Zhang Unification, Sun Shigang, Sun Xueliang and Chen Zhongwei jointly analyze and explore the development of lithium battery industry technology in an all-round way, and offer advice for China to build a global leading battery industry cluster.



Forum Site



Keynote Speech

Customer Responsibility

Intellectual Property Rights



The Group strictly abides by the laws and regulations related to intellectual property rights, continuously optimizes and improves internal management policies and systems. Through the formulation of the "Intellectual Property Management Regulations", the "Patent Application Management Regulations" and other system documents, the Group has established a systematic intellectual property management process. These have clarified the specific application process, implemented the division of work among departments, standardized relevant measures, and promoted efficient development of intellectual property work. For any infringement of the Group's patents, we actively safeguard our own intellectual property rights through legal means.

The Group fully respects the intellectual property rights of others, establishes an internal review system to ensure that it does not infringe on the rights and interests of others, and continuously updates measures to avoid infringement risks. At present, all products are subject to FTO (free implementation) analysis before launch to investigate patent risks. During the year, we actively used the patent search system in all stages of R&D and production. The Intellectual Property Department also carries out the construction of technical tree methods to understand the patent applications of competitors and technical fields, laying a foundation for avoiding design and patent layout.

In order to cultivate employees' awareness of intellectual property rights, we conduct monthly training for R&D personnel, focusing on basic knowledge of intellectual property rights, writing patent disclosure books, patent mining, etc. Professional training for intellectual property personnel is also arranged when necessary.

Quality Management

The Group implements the quality policy of "customer orientation, excellent quality, compliance with laws and regulations, economic and environmental protection, full participation and continuous improvement", establishes and improves the product quality management system, and provides customers with high-quality and stable products and services.

Sunwoda Quality Strategic:

Be customer-oriented, focusing on quality construction, taking the quality as the life of the enterprise, adopting the quality-first strategy, implementing lean production, and pursuing the zero defects production, will lead the company become the high quality representation in the lithium industry!

Quality Management System

The Group has established the "Quality & HSF Manual" and formulated the corporate quality management system in strict accordance with ISO9001 and QC080000 standards. It strictly complies with all standards in the whole process of material procurement, product design and development, product production and after-sales service. In addition, we have also established the "Internal Audit Management Regulations" to conduct a comprehensive internal audit on the quality management system once a year to identify problems in a timely manner and take measures to ensure the effectiveness of the system.

During this year, we continued to expand the scope of management system and product certification according to our own development needs. The Group's companies have obtained relevant system certifications as required. In 2021, two new companies have obtained ISO9001 and QC080000 management system certifications. All the Group's products have obtained relevant international and domestic certifications as required from the exporting countries.

Since 2016, the Group has linked the remuneration performance of management at all levels, from the Chairman to junior management, to their quality performance, and has included product quality as a key performance indicator in the annual appraisal criteria. The Group also sets quality targets at the beginning of the year and breaks down the quality performance targets from top to bottom and assigns responsibility to staff at all levels.

Quality Management System Certification

- 17 companies passed ISO9001 certification
- 14 companies passed QC080000 certification
- 2 companies passed the ISO13485 medical device quality management system certification
- 4 companies passed IATF16949 automotive industry quality management system certification
- 2 laboratories obtained ISO17025 Laboratory Management System Certification

International Certification

- FCC, CTIA, UL Certification
- Japan PSE Certification
- Thailand TISI Certification
- KCC Certification, Korea
- International CB Certification
- BQB Certification
- Wireless Charging Alliance Qi Certification, etc.

Domestic Certification

- China Compulsory Certification (CCC)
- Voluntary Product Certification (CQC)
- Taiwan NCC Certification
- Taiwan BSMI certification, etc.

Customer Responsibility

Quality Culture

The Group attaches great importance to the construction of corporate quality culture. We widely promote quality awareness and knowledge, introduce advanced tools, continue to promote lean 6 Sigma, QCC and proposal improvement, and carry out group quality culture activities, establish a systematic quality training system, and create maximum value for customers through continuous innovation management, so as to form a good atmosphere of common growth and sustainable development with partners and suppliers.

As early as September 2017, the Group had formally established the Quality Culture Department, which is responsible for comprehensively promoting the construction of quality culture. Through years of efforts, remarkable results have been achieved, encouraging all employees to actively participate in quality improvement, forming a good atmosphere of striving for excellence.

“Leading by Leadership” —Quality Mobilization, Opening a New Chapter in Quality Culture

During the year, we called on all branches/subsidiaries of the Group, deputy general managers and above of the business divisions and responsible persons of the quality department to participate in the mobilization meeting.

The quality center organized the founders, chief operating officer and general managers of each branch/subsidiary, business division and functional center of the Company to sign on the wall of the quality declaration and reaffirm their commitment.

- Advocate the "Quality First" strategy to all employees and improve their quality awareness
- Risk assessment, scientific decision-making, putting "quality first" in decision-making
- Taking the lead in learning quality knowledge and promoting the application of quality knowledge
- Taking the lead in building and optimizing the quality system and following the process system
- Convening quality meetings on time, conducting quality reflection and self-approval
- Leading all employees to comprehensively carry out quality improvement actions
- Actively participate in and strive to promote the construction of quality culture with practical actions

In addition to carrying out a number of quality culture promotion activities, the Group has established awards such as "Sunwoda Quality Award", "Sunwoda Pioneer Award" and "Quality Star", and through competitions and evaluations, we tap into the enthusiasm and creativity of employees and enterprises themselves to establish a quality benchmark for the Group. In 2021, a total of 2 business divisions won the "Sunwoda Quality Award", 7 people won the title of "Quality Pioneer" and 240 people won the "Quality Star".



Summary and experience sharing session

Every September is the national quality month. The Quality and Culture Department takes the lead in holding the quality commendation conference, quality technology exchange summit, commends excellent talents, exchanges and shares excellent cases, shares quality benchmark experience, and promotes advanced management methods and technologies.



“Appraisal and Commendation” - Quality Pioneer of Sunwoda

The Company assessed individual business departments from the aspects of quality maturity evaluation results, quality KPIs, implementation of quality culture activities, and review of non-compliance closing rate, guided and motivated all business departments, comprehensively implemented high-quality operations, and continuously improved the Company's quality



Knowledge Dissemination---quality talent pool construction, to build a high-quality talent team

- Cultivate the quality vanguard, and create a professional quality expert team for Sunwoda
- Establish a quality talent echelon training mechanism to ensure the effective implementation of quality policies, system and process requirements, and process requirements, and product quality. Build a professional qualification certification platform for quality personnel, and form a kind of routine culture of continuous promotion.

Staff Improvement---continues to carry out various quality improvement activities

- Front-line staff carries out improvement activities, and combines online and offline registration
- Team leaders and engineers vigorously promote QCC activities and QC groups bloom everywhere
- Implement lean 6 sigma, conduct extensive yellow belt training, and green belt program coaching

Quality Activites--- carry out various forms of mass quality cultural activities

- In addition to focussing on promoting and implementing improvement, the Ministry of Quality also organizes a number of mass quality cultural activities, such as quality competition, quality knowledge competition, quality policy calligraphy competition, “Proposal improvement” idea king competition, “First Do Things Right” video competition and other activities, to give full play to the creativity of employees

Customer Responsibility

Quality Control

The Group has put in place systems for non-conforming product control, hazardous substance management and traceability of identification to strictly control quality throughout the product life cycle. In the raw material procurement stage, we strictly require suppliers to supply quality (please refer to the "Supply Chain Management" section for details); in product design and development, we clarify customers' requirements for product quality and then ensure product quality meets the standards through review, verification and validation procedures; in the production process, we strictly control production conditions and conduct in-line and sampling tests to ensure that only qualified products are allowed to proceed to the next process. In 2021, the Group will study and implement precision sampling to further enhance the ability to detect quality problems internally. The Group also attaches importance to the quality of products after they are sold and takes immediate recall measures in case of non-conforming products.

In 2021, the product passing rate of the Group's major business segments was close to 100%, and did not have any product recall due to quality reasons, nor did it have any product incident that affects the safety of consumers.



Non-conformity control

Make incoming materials, process-making and finished goods inspection processes in the non-conforming products disposal provision



Hazardous material management

Standardize the control of hazardous substances in the process of raw material procurement, new product development, manufacturing, packaging, storage, transportation, etc.



Marking & Traceability

Traceability and identifiability are required during the whole cycle of raw material transportation and product realization to prevent the misuse of products of different categories or in different states and to prevent the delivery of unqualified products

We actively assess the risks and challenges of product safety and implement the targeted measures. During the year, we set up a task force and a team of experts to focus on inspection methods of domestic electronic components (including testing and inspection of reliability performance), analysis of defective products and closed-loop problems, prevention of recurrence and other related work, and effectively accumulate experience to avoid problems.

At the same time, we have increased investment in product quality and safety, especially in laboratory (reliability testing and failure analysis) resources, to actively improve our own technology and capabilities. In addition, we also have cooperated with domestic colleges and universities to conduct methodology research on product quality and safety risk assessment and have applied the results to actual risk prediction.

Customer service

Being customer-centric, the Group listens to customers' voices, maintains good customer relationships, and regularly collects customer satisfaction information to help improve and innovate, and create more value and value-added products and services for customers.

Customer Relationships

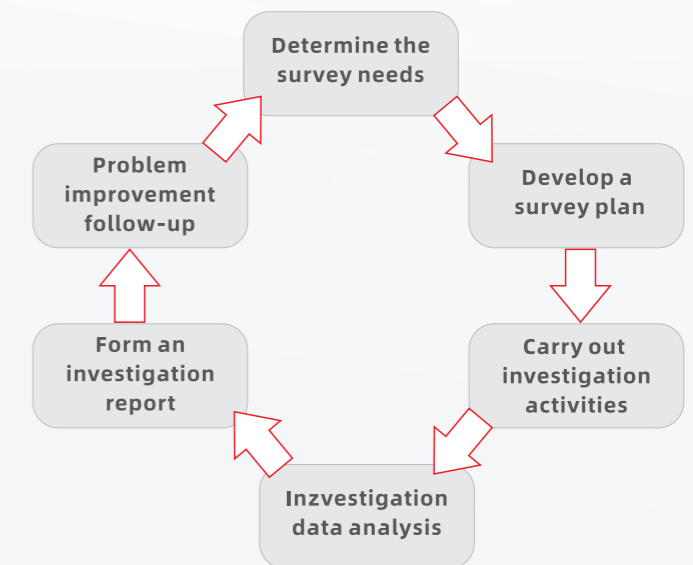
We firmly believe that steady development of the Group is inseparable from the cooperation, co-creation and win-win of customers. We actively and closely communicate with customers through various means (such as market surveys, exhibitions, visits, customer meetings, customer satisfaction surveys, customer emails, online interaction, complaint handling, etc.) to maintain a positive relationship with our customers.

The Group has formulated the "Customer Relationship Management Regulations" and developed a customer management system to clarify the responsibilities and processes of developing and maintaining customers and efficiently serving customers. The marketing department has a salesman to carry out special services for each customer, establish customer files, manage customer information, and ensure the consistency and stability of services. In addition, we provide product knowledge and training to customers and carry out exchange activities, such as visits by Foxconn to study the battery production process, to actively promote the friendly relationship between the Group and customers.

Customer Satisfaction

We have formulated the "Customer Satisfaction Management Regulations". The Quality Department is responsible for conducting customer satisfaction surveys, regularly measuring customer satisfaction levels, paying visits to customers from time to time, and understanding the factors affecting customer satisfaction from various dimensions such as engineering support capabilities, execution efforts, quality control, technological innovation, and social responsibility, so as to improve the product service level.

We understand customer expectations through the customer satisfaction questionnaire survey. Based on the feedback from the questionnaire, we discuss details with relevant responsible units and responsible persons and propose the "Corrective and Preventive Report" in accordance with the "Corrective and Preventive Measures" to ensure that customer problems are effectively resolved. According to the relevant survey results, the Group's customer satisfaction was steadily improved in 2021.



Customer Responsibility

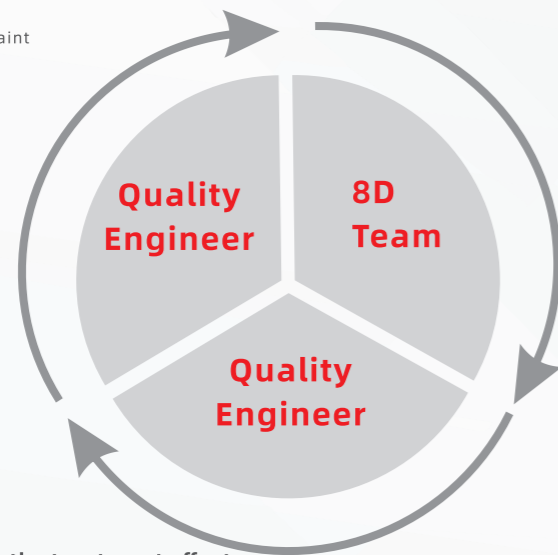
Grievance Mechanism

The Group has established systems such as the "Customer Complaint Handling Process". Customers can provide feedback and opinions to us through emails, telephone, WeChat, and face-to-face meetings. When customers lodge complaints about quality issues, the Group convenes relevant departments, suppliers, third-party verification institutions and other relevant personnel to form an improvement team (the "8D Team") to actively solve the problems.

Quality complaint handling measures

Receiving complaints

- Confirm the complaint information
- Form 8D Team



Analyze and solve the complaints

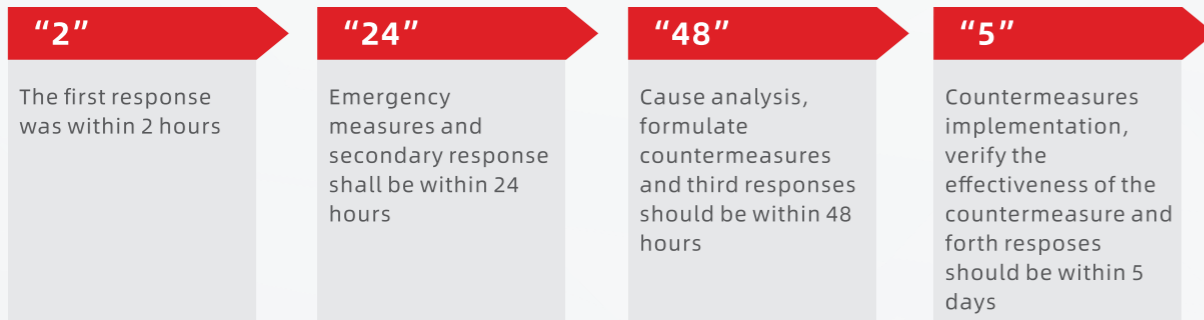
- Confirm the complaint information
- Reply to the customer's temporary measures within 24 hours
- Analyze the badcauses and propose improvement measures

Confirm the treatment effect

- confirm the 8D plan, send it to customer and develop it
- If the customer is unsatisfied with the solution, 8D Team should resume the solution until the customer is fully satisfied.

The Group has established the "2485" response principle to control the internal response speed and ensure efficient resolution of customer problems. In 2021, the Group has properly handled all customer complaints with a complaint resolution rate of 100%.

"2485" Response Principle



Information Security and Privacy Protection

The Group attaches great importance to privacy and security of customer data. We have established an information security management strategy and established an information security organization committee led by the Chairman of the Board as the highest decision-making body of the Group's information security work, which is responsible for reviewing and approving information security objectives and management policies. At the same time, the Group strictly abides by the confidentiality agreement with our customers. Employees involved in projects are subject to strict confidentiality terms and information interaction between different projects is circumvented through information security management and technical controls. During the year, the Group has standardized information security documents and compliance training and introduced face recognition system to enhance document confidentiality. For different customers, each company also carries out differentiated privacy protection work under the framework of the Group's guidance and is responsible for signing separate NDA for each customer's DRI.

In terms of information exchange, we actively share the security information and threat situation related to network security with the network security department. In 2021, the Group successfully completed the first industrial network protection action organized by the network police team of the Guangdong Provincial Public Security Department, setting a good example for peers and accumulating experience for the breakthrough and defense practice of the battery manufacturing industry.

Partner Responsibility

The Group is committed to building a high ethical standards, high performance, professional procurement organization and a highly informatized procurement system to promote sustainable development of the supply chain.

Supply Chain Management | Responsible Sourcing



Number of suppliers in cooperation

5,495

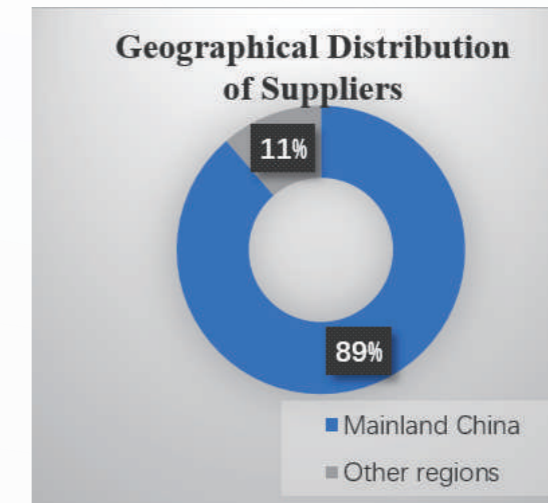


CSR audit of **218** suppliers

Supply Chain Management

High standard material supply and strict quality control procedures are critical components for high-quality products. The Group has formulated internal policies and systems such as the "Basic Procurement Law", "Supplier Development Process", "Supplier Management Process", and "Supplier Evaluation and Monitoring Management Regulations" to carry out efficient and transparent management of suppliers.

We gradually integrate the requirements of sustainable development into management practices of the entire supply chain, incorporate environmental protection qualifications and social responsibility performance into the entry and inspection factors of suppliers, and conduct regular audits. As of the end of 2021, the Group had a total of 5,495 major materials suppliers, of which 4,871 were located in Mainland China and 624 were located in other regions.



Supplier Evaluation

The Group has established a series of effective evaluation and management methods for suppliers from development to cooperation. Through daily monitoring and regular evaluation, combined with on-site inspection and on-site counseling, the Group strictly controls the quality of products and services provided by suppliers to ensure that they meet laws, regulations, and customer requirements. In 2021, the Group conducted social responsibility audits on a total of 218 suppliers. In the process of selecting and auditing potential suppliers, no suppliers were excluded due to non-compliance.

Supplier review procedures



Partner Responsibility

If quality problems are found in the products provided by suppliers during the monitoring and evaluation process, suppliers should respond to the improvement policy in a timely manner in accordance with the "2485 Principles". The Group's supplier quality engineer (SQE) is responsible for supervising the timeliness and effectiveness of implementation of improvement measures to ensure supplies of high-quality raw materials.

Monthly quality assessment of suppliers

Suppliers are rated according to the quality of the production line and the inspection of incoming materials in the current month, from high to low, with grades of A, B, C and D. Personnel at the level of supplier quality manager or above are required to submit evaluation opinions on the monthly scoring results and file them.

- √ Priority cooperation opportunities for suppliers rated as "A"
- √ Suppliers rated as "D" need to improve their existing problems and provide guidance to them according to the situation. If the quarterly assessment retains this rating, the cooperation is suspended until it has been rectified
- √ Established long-term partnership with "A-level" suppliers for four consecutive

Responsible Procurement

We require suppliers to assume corresponding environmental, employee and social responsibilities. When introducing new suppliers, we require them to sign the "Basic Standards for Supplier Cooperation", the "Quality Agreement, the Confidentiality Agreement", the "Integrity Agreement, the Environmental Protection Agreement" and the "Social Responsibility Commitment Letter", which impose constraints and requirements on suppliers' business ethics and social responsibilities.

Sunwoda Supplier Social Responsibility Guidelines

Labor Management	Environmental Protection	Occupational Safety and Health	Business Ethics
Protecting employees' human rights, respecting and protecting employees' right to freedom of association and collective bargaining, and not to employ child labor, underage workers and forced labor	Saving resources and minimizing adverse impacts of operations on the community, environment, and natural resources	Protecting employees' occupational safety and reducing occupational hazards	Complying with the highest standards of integrity and operate with integrity

The Risk Control and Audit Department conducts sunshine procurement management on suppliers, strictly regulates exchange of gifts between employees and suppliers and requires suppliers to sign social responsibility integrity agreements and conduct integrity self-inspection. The Group has set up a procurement feedback window to provide timely feedback and for handling of potential violations of standards or concerns to ensure that the procurement process complies with laws and ethics. In addition, we regularly conduct on-site social responsibility reviews on suppliers to reassure ourselves that they are fulfilling their social responsibility and urge them to abide by business ethics. We actively provide social responsibility training for suppliers, further communicate suppliers about the Group's requirements on social responsibility standards and promote the sustainable development of the supply chain.



Green Procurement

In order to ensure effective implementation of the green procurement strategy, the Group has appointed an environmental protection officer in the supplier management process, responsible for monitoring, collection and management of environmental protection information of suppliers' materials, to ensure that the materials meet the environmental protection requirements effectively. If a supplier fails to meet the environmental protection qualifications or fails to provide effective environmental protection information, the environmental protection officer issues the "Quality Abnormal List" to suspend the supply of such materials and disqualify the supplier.

Supplier environmental compliance monitoring procedures

Trial production stage monitoring
Environmental protection data during the new material recognition stage to meet the specifications and customer requirements and finally summarize them into the environmental protection data list

Mass production stage monitoring
IQC conducts environmental testing (including ROHS / halogen-free) in accordance with SIP and specifications

In 2021, the Group identified and sorted out environmental risks of customers, projects and various materials, and set terminals for glues and auxiliary materials and other high-risk materials and formulated the management strategy that all materials must be environmentally friendly and not braised. In addition, we have established the "Hazardous Substances Management Process" and the "Environmental Management Material Technical Standards", requiring suppliers to provide material composition sheets and necessary third-party testing reports (including but not limited to RoHS, REACH, no braised food, etc.). At the same time we conduct XRF environmental testing on materials from suppliers to ensure that the products provided meet the relevant international, industry environmental laws and regulations, customer environmental protection requirements and the Group's internal environmental protection requirements.

Partner Responsibility

Conflict Minerals Management

The Group manages conflict minerals following the principles of the Sunwoda Conflict Minerals Policy, performs due diligence on the source and chain of custody of procured minerals, and provides relevant review measures when requested by customers. We also require our suppliers to comply with and implement the conflict minerals management measures to fulfill their social responsibilities.

The Principles of Sunwoda Conflict Minerals Policy

- The Group understands and values human rights and environmental issues related to conflict minerals, and ensures that, under reasonable circumstances, tantalum, tin, cobalt, tungsten and gold contained in the products manufactured is not directly or indirectly funded or has benefitted armed organizations in the Democratic Republic of Congo (DRC) or other neighboring countries/regions that have abused human rights. We also require our suppliers to fulfill their social and environmental responsibilities, select and promote not to use conflict minerals along the supply chain, establish a conflict-free mineral procurement policy, and carry out and submit a due diligence report.
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Employee Responsibility

Employees, as an important pillar for achieving sustainable development, are the core driving force for corporate development. We value the physical and mental health and development of our staff. We are committed to providing our employees with a safe, healthy, harmonious and diverse working environment with room for development.

Labor Management | Talent Management | Employee Care | Occupational Health and Safety



浙江兰溪园区



Participation rate of occupational health examination of employees

100%

Rate of work-related fatalities

100%



Total investment in safety production in 2021

24,090,000



Occupational Safety and Health Training

287,367 hours

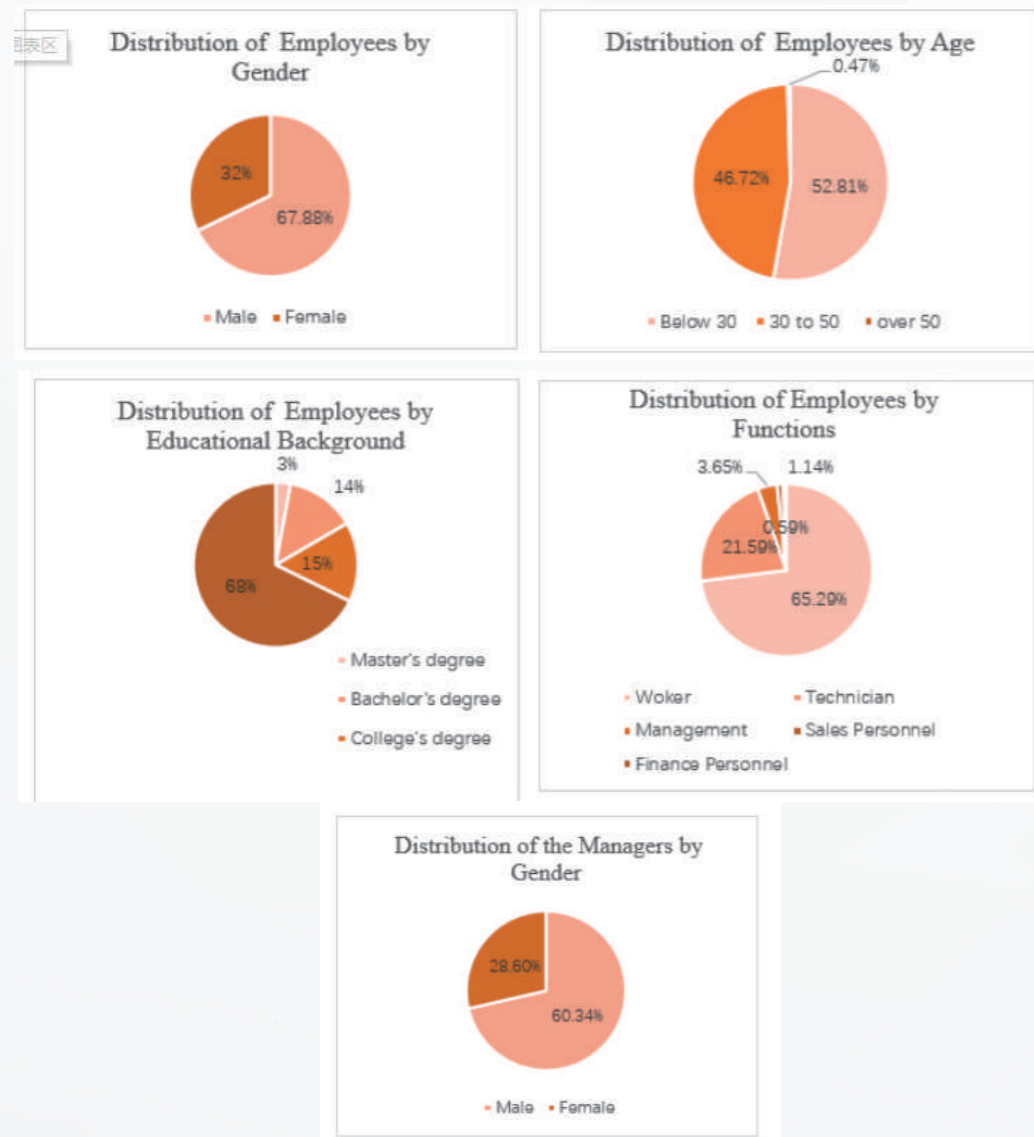
99,702 person-times

Labor Management

Employees are the important driving force for achieving sustainable development. The Group implements the “people-oriented” concept and provides employees with an equal, free and diversified working atmosphere.

Equal and Standardized Employment

Adhering to the principle of “fairness and justice”, we prohibit all forms of discrimination based on race, color, religious belief, gender, age and place of origin, and comply with the principle of “fairness, equality, voluntariness and consensus”, and enter into contracts with employees. During the Reporting Period, the Group’s employee labor contract signing rate was 100%. We fully respect the rights and interests of female employees, with the “Provisions on the “Protection of Child Labor, Juvenile Workers and Female Employees” setting in place, protecting the rights and interests of female employees in labor contracts or employment contracts, and discrimination against female employees



The Group strictly abides by the “Labor Law of the People’s Republic of China”, “the Labor Contract Law of the People’s Republic of China”, and other relevant laws and regulations as well as the laws and regulations of countries where it operates. We comply with the relevant international conventions approved by the Chinese government and practice the principle of equal employment and treat every employee fairly.

Employee Rights

The Group respects, recognizes, and treats every employee well, and protects all legitimate rights and interests of employees. We strictly abide by the “Labor Law of the People’s Republic of China”, the “Trade Union Law of the People’s Republic of China” and relevant laws and regulations in regions where we operate, with internal regulatory documents such as the “Regulations on Remuneration Management” and the “Regulations on Attendance Management” setting in place. We respect human rights as defined in the “Universal Declaration of Human Rights”, the “International Labor Organization Declaration on Fundamental Principles and Rights” at Work, and the “International Covenant on Civil and Political Rights”. Stipulations in these documents are integrated into daily work processes and policies. The Group strictly prohibits any forms of forced labor, with management and



Nanjing Sunwoda Labor Union Organized Employee Seminar

Labor Union Activities

On December 17th, 2021, the Nanjing Sunwoda Labor Union organized the last employee symposium of the year. Employees and front-line managers discussed the problems and difficulties they faced in work and life together. In 2021, Nanjing Sunwoda Trade Union held a total of 8 employee representative symposiums, focusing on front-line production employees, covering employees in all departments, and listening carefully to voices of employees.

control measures on working time stipulated clearly in the Regulations on Attendance Management, ensuring employee work-life balance. During the year, there were no case of forced labor reported. The Group highly values employee involvement, promoting internal democratic management on an ongoing basis. We are committed to setting up and implementing workers'congress system, protecting the rights and benefits of our employees. To maintain a harmonious relationship with employees and to protect the rights and interests of employees, the Group's labor union helps develop a harmonious relationship and stimulate the work vitality of employees. The Group does not intervene in operations and management of the labor union in any way to ensure that employees can communicate with the Group's management without threats or harassment. Employees are also entitled to freedom of association and collective bargaining.

Labor Risk Management

The Group has put in place the "Administrative Regulations on Labor and Ethics Risk Assessment and Control" to mitigate potential risks faced through planning and control. A comprehensive risk identification exercise is conducted annually to ensure all potential risks are controlled. In addition, the Group has an inspection team responsible for conducting regular inspections of various departments.

Recruiting child labor is one of the major risks that cannot be ignored in labor management. We strictly prohibit employment of child labor in any form. The Group's personnel are barred from introducing child labor to other units of the Group. In the recruitment process, we strictly control and ensure that no child labor (under the age of 16) is recruited. If child labor is found to be employed by mistake, we take relevant measures in accordance with the Internal Regulations on the "Protection of Child Labor", Underage Workers and Women Workers to ensure that they are under special protection. During the year, the Group did not record any incidents of employment of child labor.

Remedial Action Against Child Labor

Immediately stop their work and file the case

Provide free medical examination for child labor. If the child labor falls ill, the Company must provide free medical service until the child recovers.

The recruitment and employment department is responsible for contacting the child labor's family or guardian or the labor management department in the place where their household registration is located in a timely manner to investigate and confirm the child labor's real age/identity and family background, etc. and record it in the "Child Labor Registration Form". The child labor is returned to the original place of residence and handed over to parents or other guardians. The required transportation and room and board expenses are all borne by the company, and they are also assisted to complete the nine-year compulsory education.

Analyze the causes of misrepresentation of child laborer's age and take preventive measures. If the person in charge of a department discovers the existence of child labor through work arrangement, communication with employees, internal and external audits, etc., the person in charge of that department should immediately contact the Human Resources Center for handling.

Talent Management

Talent is the most essential element for corporate development. The Group continues to optimize the mechanism of talent management and training system to provide a platform for employees to grow and realize their full potential.

Talent Recruitment and Retention

The Group attaches great importance to acquisition and retention of talents, and recruits outstanding talents through social recruitment, campus recruitment, internal recruitment, headhunting companies, school-enterprise cooperation, and other recruitment channels. Based on its developing strategy, the Group continues to recruit R&D talents for power battery cells for electric vehicles, BMS for automobile motive batteries, energy storage systems and new products and new materials according to needs, forming a comprehensive and multi-level talent system.

School-Enterprise Cooperation Supporting Talent Development

Development of skilled talents	<ul style="list-style-type: none"> In response to the national call for school-enterprise cooperation, we cooperate with the First Vocational and Technical School of Shenzhen to carry out the "Modern Apprenticeship System" skill talent training project piloted by the Ministry of Education
Development of R&D talents	<ul style="list-style-type: none"> We have built the "Research Base for Master of Engineering Research" with Tsinghua Shenzhen International Graduate School and established a training base jointly with Central South University to train professional talents We have formed a post-doctoral training model jointly with South China University of Technology and Shenzhen Graduate School of Tsinghua University

Talent Recruitment Initiatives

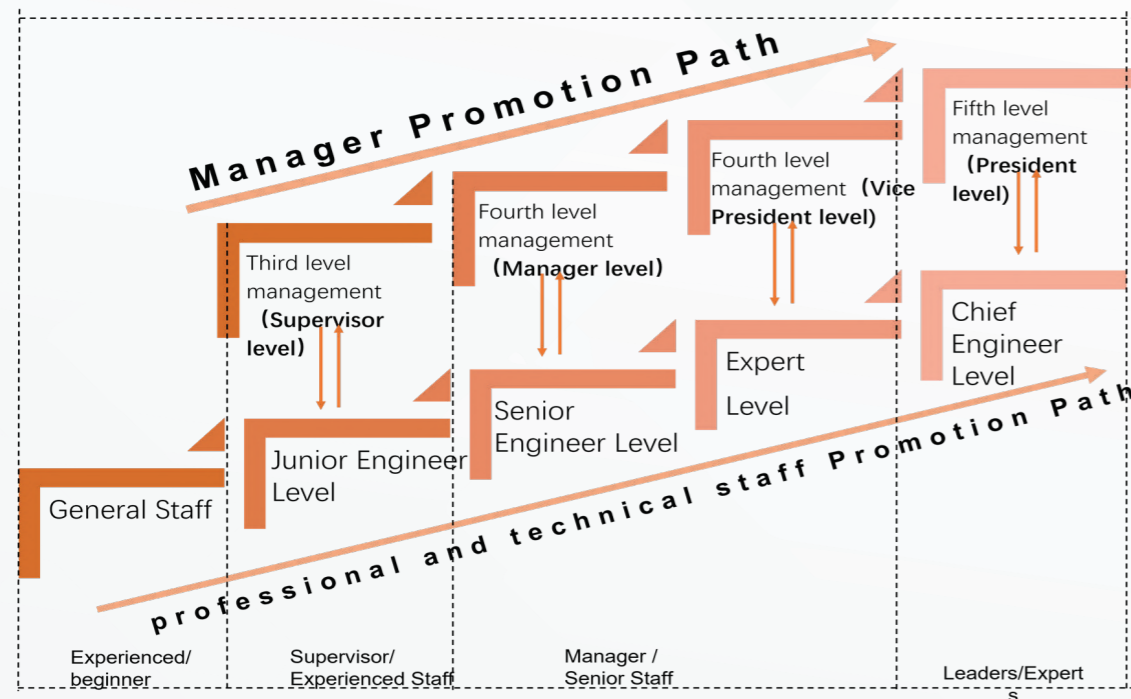
- Talent pool construction: gradual implementation of employee grading plan based on regional and sectoral differences to build a team of quality workers for the Company's long-term development
- Subsidies: increase of rank subsidies, peak season subsidies, team leader incentives, etc.
- To motivate young people to grow quickly into middle and senior management of the Company
- Welfare house plan: The Group is planning construction of "Sunwoda Family", which will be sold to employees at cost to alleviate their financial pressure from housing.

We motivate our employees through equity incentives. As of the end of 2021, the Company had implemented a total of three restricted share incentive schemes, covering managers and above, and some supervisors or senior employees. Among these, 1,393 were granted 38,250,000 shares under the 2019 Restricted Share Incentive Scheme. The first and second tranches of the 2019 Restricted Share Incentive Scheme were listed and circulated in January 2021 and January 2022, respectively. The third tranche of the 2019 Restricted Share Incentive Scheme is expected to be unlocked in January 2023. The reserved Participants are 288 persons, and the number of shares granted is 6,750,000 shares. The first tranche was listed for trading in September 2021, and the second tranche is expected to be unlocked in September 2022. As of the end of 2021, the Company had implemented two employee stock ownership plans. Shares under the Second Phase of the Employee Share Ownership Plan were sold out in September 2021, and the actual yield was more than 60%.

Training and Development

The Group set up Sunwoda University to promote and organize the construction of a training system in accordance with its overall development strategy and human resources strategy. In addition to induction training and pre-job training, we also support employees by way of skills training. In 2021, we put strong focus on developing the learning map of a professional academy, cultivating skilled talents (Zhan Lan Phase I, Phase II and Xin Lan Ling Project) and setting up job skillset rating evaluation system. Through the establishment of an internal training team, the Group promotes sharing of knowledge and development of talent circulation mechanism, ensuring that employees can improve their ability and quality. We have also completed the optimization of our digital learning platform during the year, developing virtual training and evaluation system which helps boost the performance of training platform. In 2021, the Group recorded a total number of trained employees of 27,697, and the total training hours were 206,951 hours, with an average of 5.66 hours per person during the reporting year.

The Group attaches great importance to talent development and has established a dual channel for management and professional and technical career development. Through the hierarchical and position qualification and classification system, the Group motivates employees to grow sustainably by providing a broad and diversified growth platform.



The Group has continued to improve the employee career development system. In 2019, the employment qualification system was introduced and project teams were formed. In 2020, we completed the development of 18 job standards. During the year, we started initializing the certification process. As of the end of 2021, the Group completed the qualification evaluation of more than 5,600 people, with approximately 800 people submitted certification upgrade.

Employee Care

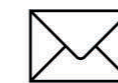
We attach great importance to employee well-being and care for employees in work and life, aiming to create a comfortable, harmonious, and convenient working environment for employees.

Employee Communication

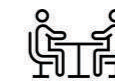
The Group attaches great importance to democracy and has established a sound internal communication system including the Employee Relations Management Regulations, and continuously promotes internal democratic management through various means.

By establishing two-way communication channels, the Company communicates its values, development directions, cooperation goals and performance goals to its employees, so that the management can fully understand the true thoughts and needs of employees and respond to the feedback and concerns from employees in a timely manner. At present, the employee communication initiatives we have carried out mainly includes labor union meetings, employee representative congress, and collective negotiation work.

Employee Communication and Feedback Channels



- Chairman's mailbox, ER mailbox
- ER@sunwoda.com
- President's mailbox, trade union mailbox
- Chairman's mailbox, human



- Staff forum
- Employee Reception Day
- Staff interview
- Performance interview
- One-on-one interview



- Employee relations and union complaint hotline
- 51880 Hotline
- Employee Care Hotline



- Corporate WeChat
- Employee Care System



Manager Reception Day

In order to help employees to solve any problems they face in daily work or in their lives, a subsidiary of our Group, DE.POWER (De.power Technology Limited), arranges the supervisor care reception day. The supervisors become trouble-shooters every Wednesday and Thursday, providing counseling for employees in the workshop pantry. Up to now, XD Energy has carried out 16 caring reception days as scheduled, and each event has shortened the distance between managers and employees, so that the trouble can be eliminated, contributing to the future work of the Sunwoda family.

In order to strengthen the communication between employees and the management and help employees solve practical problems at work and in life, DE.POWER held a staff forum in the form of a tea party, which was held once to twice a month. In 2021, four seminars have been held, focusing on the modules of workshop management, clothing, food, housing and transportation, and corporate culture. A total of 15 problems have been solved for employees. As the employees express their opinions freely and listen attentively during seminars, more issues will be effectively solved in the future.



Employee Seminar



In May 2021, Winone (Huizhou Winone Precision Technology Co.,Ltd.), a subsidiary of the Company, organized the first "Employee Reception Day" in the factory area of Yongxintai, Huizhou. On the reception day, representatives from the remuneration performance and attendance module, the employee relationship module, the social security provident fund module, the canteen service module, the dormitory management module, the safety module, etc., jointly participated, and answered questions of employees. The Employee Reception Day turned out to be an excellent communication platform for employees to truly "think for employees and solve problems for employees" and jointly build a better tomorrow.

Employee Reception Day

Adhering to the philosophy of people-oriented management, we conduct a Group-wide employee engagement survey every year to comprehend the status of employee engagement, identify loopholes in management, improve comprehensive management level, and the happiness of employees. In 2021, the overall engagement score was 3.71 points. We have developed a targeted improvement plan based on the survey results and continuously improve the level of employee engagement, and achieve the common improvement of our corporate values and employees'needs.

Caring for Employees

The Group pays attention to physical and mental health of employees as creating a good working atmosphere is one of our goals. Every year, we hold birthday parties for employees on a monthly basis. This year, we piloted the second part of the battery business department to upgrade the planning and implementation of birthday parties. With reference to excellent cases in the Internet industry, the idea of drawing psychology, art therapy and Orff music education approach, we have completed themed birthday parties such as ceramics, musical instruments, graffiti, flower arrangement, and Han Fu Festival. The participation of employees in the new birthday party format has been greatly improved. Sunwoda also cares about the difficulties faced by employees as parents. The trade union of Sunwoda led the establishment of the first parent-child training class of Sunshine Teenagers, which aims to solve the worries of parents in taking care of children and work during the summer holiday. There were 25 parent-child groups with a total of 60 participants. Parent-child class-related activities received unanimous praise from participants and the chairman of the labor union.

Since 2019, the Human Resources Center of the Group has used group-assisted tutoring to provide two types of customized services, technology empowerment or on-demand. During the year, we conducted 347 group activities for 9 major regions and 14 business units, covering 10743 people. We also developed 11 group support courses, and cooperated with the gold team leader project, focusing on four group guidance courses covering topics such as team cohesion, self-cognition, emotion and stress management. The overall activity re-participation rate was over 90%, creating another three innovative courses on employees care. The average satisfaction rate of employee courses was over 97%, which achieved good results in improving personnel stability, improving the overall quality of team leaders, and creating a harmonious organizational atmosphere. The campaign has initially become an internal brand of the Group.



The Group's manufacturing center, Boluo Park, organized a "New Employee Meeting" for new employees. The workshop supervisor explained the corporate culture of the Group, and distributed contact information of all management personnel to new employees, helped new employees solve problems, and built a caring communication bridge for new employees.



?Liwinon (Huizhou Liwinon New Energy Technology Co., Ltd.) organized the second mental health day in May 2021, aiming to convey the concept of "caring for themselves, understanding themselves, connecting themselves, paying attention to their mental health, improving their own psychological health, and then love others and the society" through the activities.

?In order to provide employees with a good environment for activities, and advocate the concept of "happy work, healthy life" and create a healthy, harmonious and positive atmosphere, the Group has built an employee activity center in Nanjing Park, which has a gym, activity room and multi-function room (weekend film screening)



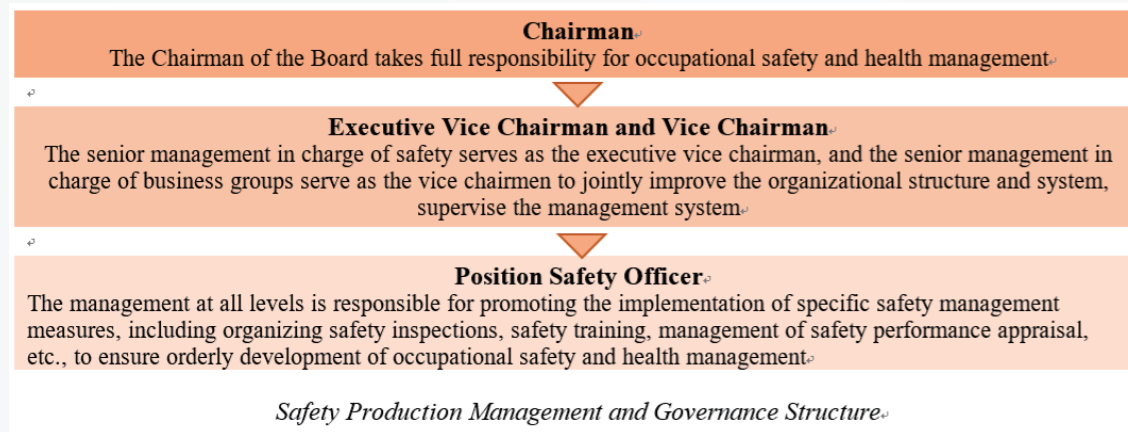
Occupational Health and Safety

The Group puts strong emphasis on occupational safety and health management. We continuously improve the occupational safety and health management system, implementing safe production plans and realizing goals. We also strengthen the identification and management of relevant risks, actively carry out safety training, comprehensively improve the level of safe production, striving to protect the health and safety of employees.

Occupational Safety and Health Management System

The Group has put in place a Safety Management Committee, supervising the safety management in factory production, fire safety, occupational health and other safety-related matters through corresponding initiatives and evaluation mechanism. This Committee is chaired by the Chairman of the Group, with members of the Board acting as the primary responsible persons for safety production. The Board is fully responsible for appointment, removal and examination of the key persons responsible for safety management and coordinating and guiding the effort and problems of production safety. Under the Management Committee, each Tier-1 department has established a corresponding work safety structure.

We require all members of the Safety Committee of each department to sign a power of attorney to implement safety responsibilities for equipment at each stage of production and achieve full safety risk control. In addition, each subsidiary is required to set up relevant occupational safety and health management structure according to its own actual situation and assign the responsibilities to the corresponding safety production management personnel, ensuring effective implementation and operation of the safety production responsibility system.



Strictly abiding by laws and regulations related to occupational health and safety management, we strive to continuously improve the occupational health and safety management system in accordance with requirements of ISO45001: 2018 standards. During the year, one more member companies of the Group obtained the ISO45001 certification. As of the end of 2021, a total of 13 companies attained the ISO45001 occupational health and safety management system certification. Moreover, Sunwoda and its four subsidiaries obtained Level 2 or Level 3 safety production standardization certificates, while another three subsidiaries were in the process of attaining third level standardization.

Objectives and Plans

The Group has annual occupational safety and health targets, formulating occupational safety and health management plans at different stages and implementing a number of measures related to production safety. At the same time, we regularly organize health examinations, identify sources of hazard, standardize operational procedures and carry out safety training and examination to ensure safe and orderly operations and production. In case of work-related accidents, we carry out accident investigation in strict accordance with the principle of "Four Don't", review the cause of the accident, and continuously improve and optimize our own management measures. In 2021, the Group did not have any occupational diseases and no major work-related injuries, and fully achieved the annual occupational safety and health goals.

Occupational Safety and Health Management Scheme	
Short-term plan	Eliminate the occurrence of occupational diseases, major work-related injuries and major safety accidents, launch of "one person, one file" e-commerce.
Medium-term plan	Improve safety awareness of employees on the basis of legal compliance.
Long-term plan	Leading the safety management level in the industry and establishing industry benchmark.

OHS Performance Evaluation

The Group has in place the "Rejection of EHS Performance Indicators for Staff Level/Department Heads of Sunwoda Electronic Co., Ltd." to implement a safety veto system for all employees. According to our internal rules and regulations, we conduct evaluation for employees who trigger safety veto. The results of the evaluation will affect the promotion, performance bonus and other aspects of employees. In addition, Sunwoda also implements monthly EHS performance measurement and annual comprehensive production safety audit for the first-tier departments of all its subsidiaries, and the results of EHS performance evaluation will affect the year-end bonus of the business department. In the future, the Group will further strengthen the centralized management and control of safety production at its subsidiaries, increase the intensity and depth of EHS audit of its subsidiaries, and instill the awareness and concept of safety production in the minds of employees.

Hazard Identification

In order to strengthen occupational safety and health risk management, the Group implements a dual prevention mechanism with risk classification control and potential hazard investigation and management to ensure production safety and compliance and prevent the related risks. The Group regularly organizes various safety inspections, including basic inspections and special inspections, to identify and assess relevant risks. At the same time, we pay attention to treatment and rectification measures, and continuously consolidate responsibilities of safe production. In 2021, the Group conducted a total of 975 pre-risk assessments, covering various aspects of engineering, chemicals, and equipment.

Fundamental inspection	Specialised inspection
<ul style="list-style-type: none"> • Routine inspection • Monthly inspection • Holiday inspection • Annual inspection and audit 	<ul style="list-style-type: none"> • Special inspection on electrical safety • Fire system and evacuation inspection • Special inspection on rain and wind prevention • Special inspection of cutting tools and electrical appliances in dormitories • Special inspection of large-scale machinery and equipment • Special inspection of chemicals • Limited space inspection • Special Equipment Inspection • Key Equipment Inspection

In addition, the Group conducts occupational hazard assessment and testing twice a year, and continuously improves equipment and facilities, enhances working environment and standardizes operation standards based on the test results to ensure the safety and health of employees.

Safety Training

In order to enforce safety responsibility and promote safe production, the Group has put in place an annual safety training plan, and carried out a series of corresponding works every month as planned, including carrying out practical safety knowledge publicity for all employees, organizing diversified safety training and drills, and conducting safety examinations for all employees. We provide online safety training courses for new employees and safety training for personnel in specific positions, and organize the corresponding safety training for contractors. We also carry out activities during "Safety Production Month" and "Fire Control Month" in June and November every year, including safety knowledge competition, safety video competition, safety online examination, fire control skills competition and fire evacuation drill, etc., in order to continuously improve safety awareness of all employees and their ability to respond to accidents. In 2021, the Group participated in safety training for a total of 99,702 person-times and a total of 287,367 training hours, covering all employees and outsourced personnel of the Group.

Safety Production Month and Fire Prevention Month Series Activities



Prevention and Control of COVID-19

Since the outbreak of COVID-19, the Group has actively responded to the national epidemic prevention and control measures, established a safety assessment standard for epidemic prevention and control, independently developed an epidemic management system, and have been efficiently monitoring, controlling visitors, and undertaking nucleic acid testing, vaccination and regular disinfection. At the same time, the Group has normalized the epidemic prevention and control work, delivered epidemic updates in medium and high-risk areas on a daily basis, issued the Group's epidemic prevention and control requirements, adjusted and followed up relevant policies in a timely manner, strengthened the supervision of holidays, and opened a special window to provide consulting and business guidance, so as to continuously improve the epidemic prevention and control and management capabilities.

Environmental Responsibility

Adhering to the environmental policy of “compliance with regulations, prevention of pollution, people-oriented principle, safe operation, energy saving and consumption reduction, and sustainable improvement”, the Group has always made the protection of the ecological environment its primary corporate responsibility, practicing low-carbon green operations and sticking to sustainable development.

Tackling Climate Change | Clean Technology Opportunities | Environmental Management | Emissions Management | Green Operation



Responding to Climate Change

“Carbon Peaking and Carbon Neutrality Target”

At the United Nations General Assembly in September 2020, President Xi Jinping solemnly proposed that China will strive to achieve carbon peak by 2030 and carbon neutrality by 2060. The Group actively responds to the national “dual carbon goals” and owns its social responsibilities. In 2021, the Group officially launched Sunwoda's “Carbon Peak and Carbon Neutral” (Dual Carbon) campaign, and a Planning Unit was formed and led by President's Office and R&D Center, ensuring a clear strategy and action plan are in place and the Group's business will continue to develop under the backdrop of Dual Carbon.

“Dual Carbon Declaration” by Sunwoda

In March 2021, the Group officially launched “Dual Carbon” campaign and announced the “Sunwoda Dual Carbon Declaration”. The Declaration stipulates clearly the Group's direction in dual carbon, focusing on five areas to reduce carbon reduction: building a low-carbon industrial park, applying industrial Internet technology, expanding electric vehicle battery business, promoting photovoltaic energy storage, and participating in carbon neutral projects. Sunwoda is committed to achieving “net zero emission” in 2060, contributing to the building of a low-carbon society.

In March 2021, the Group announced the official launch of the "Carbon Peak, Carbon Neutral" action, and held the 2021 "Carbon Peak, Carbon Neutral" swearing-in ceremony and signing ceremony of the energy conservation and emission reduction responsibility letter at the headquarters of Sunwoda. The national dual carbon goal will contribute to early realization of China's carbon neutrality goal.



Total input in environmental protection in 2021

11,270,000



96.54%

Recycled industrial waste

100%

Hazardous waste transferred



We will:

1. Strengthen energy-saving measures in management of production and manufacturing, promote energy-saving technological transformation, and use digital technology to improve factory energy efficiency and shall advocate green office, green travel, green canteen, daily green conservation, and other actions to build a green ecological sample park.
2. The Company will vigorously develop the industrial internet, give full play to the role of the industrial internet platform in empowering and supporting the entire production management process, improve production efficiency and accuracy, and minimize energy consumption.
3. We will increase investment in research and development of battery cells, modules and BMS system for electric vehicles, improve safety, endurance, and cost competitiveness of electric vehicle batteries, promoting development of new energy vehicles.
4. The Company has actively developed energy storage application technology, and its application scenarios such as power grid, industry, commerce, net-works, household and comprehensive energy storage. We have built Yuzhou photovoltaic energy storage power station, and we allow full play to the important role of energy storage, carbon emissions reduction and power saving through “energy storage+photovoltaic”.
5. The Company actively participated in carbon sink projects, played the role of an ecological compensation mechanism, actively carried out afforestation activities, and deeply practiced the development concept of “lucid waters and lush mountains are invaluable assets”.

We have unanimously resolved that:

“Sunwoda will continue to be at the forefront of sustainable development, and vigorously support the development of China's energy storage and new energy vehicle industries with professional services and innovative technologies. At the same time, we are committed to achieving “net-zero” emissions by 2060. We will start from becoming carbon reduction experts and contribute to early realization of the national carbon neutrality target!”



Today, we solemnly sign and release: 《The Declaration of Carbon Peak and Carbon Neutrality of Sunwoda》to reaffirm our commitment to fulfill our corporate responsibility of green development and building a beautiful earth, and to start a new journey for “becoming a respected world-class new energy enterprise”. We promise that we will write a splendid chapter in the country's journey towards “carbon neutrality”!

Progress of "Carbon Peaking and Carbon Neutrality Target"

In order to ensure the achievement of the "dual carbon" goal, the Group has set up relevant institutions to be responsible for the implementation of the work: a company-level energy conservation committee has been established, with an energy conservation office positioned as the energy conservation responsibility management department to improve the energy conservation responsibility system (please refer to the energy management section for specific energy conservation work). A "Carbon Peak-Carbon Neutrality" planning and compilation team led by the Company's vice president was also set up.

In December 2021, Sunwoda Shenzhen Park became the first batch of pilot enterprises in Shenzhen's near-zero carbon demonstration park and was included in the list of "2021 Automobile Parts Green Enterprise Development Index TOP5" issued by CNS Research and recognized as an AA enterprise. At present, the planning and preparation team has basically completed the planning and preparation. Subsequently, the Company will promote the implementation of "Carbon Peak and Carbon Neutrality" in an orderly manner according to the requirements of all aspects to help the Company achieve sustainable development. (Please refer to the Clean Technology Opportunities section for more work progress)



22nd March
"Carbon Summit - Carbon Neutral" Pledge Ceremony

Early May, Awarded ISO 14064 certificate and Green Factory certification

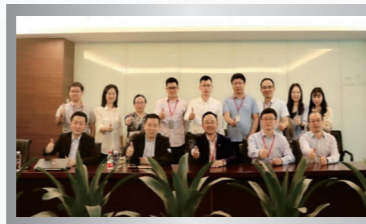
June-September Tendering to identify external partner consultants

November - January 22 Review of the "Carbon Peaking and Carbon Neutrality" plan

Early March 22 Release of the "Carbon Peaking and Carbon Neutrality" plan for Sunwoda (planned)



11 April
Establishment of the "Carbon Peaking and Carbon Neutrality" Planning Group



20 August
Power Cell completes carbon footprint accounting for 200Ah cells and provides sustainability report to VOLVO customers

9 October
Kick-off meeting with external consultants for the "Carbon Peaking and Carbon Neutrality" planning team



December
Awarded "Top 5 Auto Parts Enterprises Green Development Index in 2021" by China Automotive Research

Work Highlights of "Carbon Peaking and Carbon Neutrality Target"

In August 2021, the Group was selected as one of the top ten outstanding cases of "Reducing Pollution and Reducing Carbon" in the carbon market in Shenzhen. As a local new energy enterprise in Shenzhen, the Group thoroughly implements the concept of green development, with a plan detailing a specific path of carbon reduction from top to bottom, achieving industrial upgrading and emission reduction from the source.



深圳市近零碳排放区第一批试点项目公示名单

序号	项目名称	申报单位
5	欣旺达绿色工厂	欣旺达电子股份有限公司
23	欣旺达绿色工厂	欣旺达电子股份有限公司
24	欣旺达绿色工厂	欣旺达电子股份有限公司
25	欣旺达绿色工厂	欣旺达电子股份有限公司
26	欣旺达绿色工厂	欣旺达电子股份有限公司
27	欣旺达绿色工厂	欣旺达电子股份有限公司
28	欣旺达绿色工厂	欣旺达电子股份有限公司



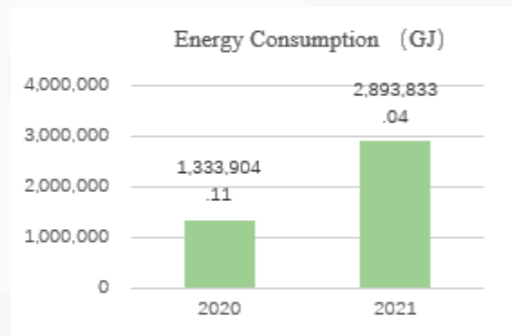
Sunwoda was listed in the "Top 5 Green Development Index for Auto Parts Companies in 2021" published by China Automotive Data. Only 9 out of 108 parts and components enterprises participated in the selection were rated, and only two power battery enterprises were selected into the TOP5 Green Development Index for Auto Parts Enterprises.

Energy Management

The Group has formulated the Energy Management Regulations in accordance with the national energy work guidelines and standards and based on the actual situation of the Group. By establishing a monitoring system for energy consumption, the Group regularly conducts comprehensive analysis and evaluation of energy consumption data of each plant on a monthly basis, and puts forward relevant opinions and suggestions, urges each plant to formulate improvement measures, prepare analysis reports and other measures to strengthen the energy management level of the Group.

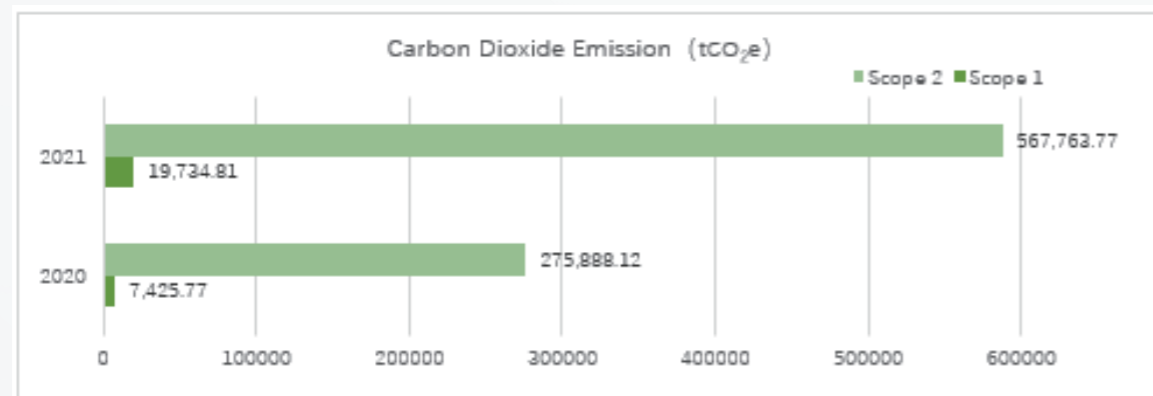
The Group has put in place a responsibility system for daily energy management according to different region. The regional heads are the person-in-charge for energy management in each area, responsible for implementation of energy management and energy conservation goals in the region. Leaders of each business division and other departments are responsible for the daily management of energy management in their respective regions, and assigning a person-in-charge of energy management to promote daily energy management.

The Group's energy consumption mainly includes electricity, natural gas, gasoline and diesel. In 2021, the Group consumed a total of 2,893,833.04 GJ, and energy consumption per unit of output value was 0.44 GJ per million production value. Due to inclusion of 9 more subsidiaries, energy and water consumption increased as compared with 2020.



Greenhouse Gas Emissions

In 2021, the Group's total greenhouse gas emissions were 587,498.58 tonnes of carbon dioxide equivalent with an emission intensity of 0.089 tonnes of carbon dioxide equivalent per million production value, of which Scope 2 was the main source of greenhouse gas emissions, totaling 567,763.77 tonnes of carbon dioxide equivalent. The Group is committed to reducing greenhouse gas emissions and reducing climate impact by improving energy efficiency.

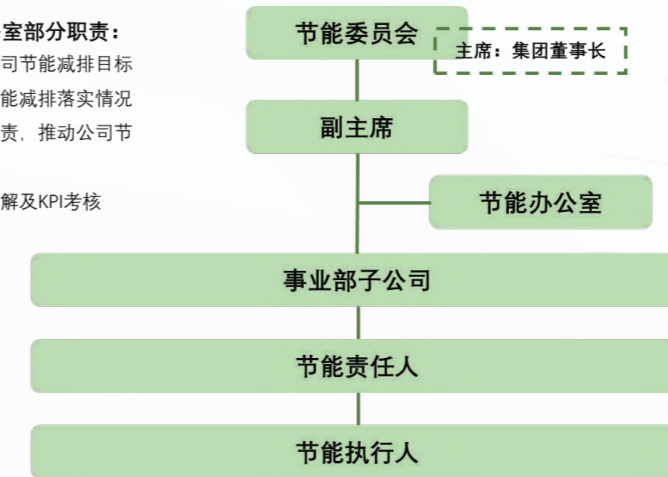


Energy Conservation and Emission Reduction

In order to effectively conserve energy and reduce emissions, the Group has an energy conservation committee chaired by Mr. Wang Wei, the Chairman of the Group, to promote energy conservation in an organized and targeted manner. Starting from energy conservation management, technological transformation energy conservation, energy conservation evaluation, energy management system and other aspects, the Company has formulated the annual energy conservation work direction and promoted energy conservation management in an all-round and refined manner.

副主席、节能办公室部分职责：

1. 具体统筹和落实公司节能减排目标
2. 每月向主席汇报节能减排落实情况
3. 履行管理者代表职责，推动公司节能工作全面展开
4. 事业部节能目标分解及KPI考核



主席职责：

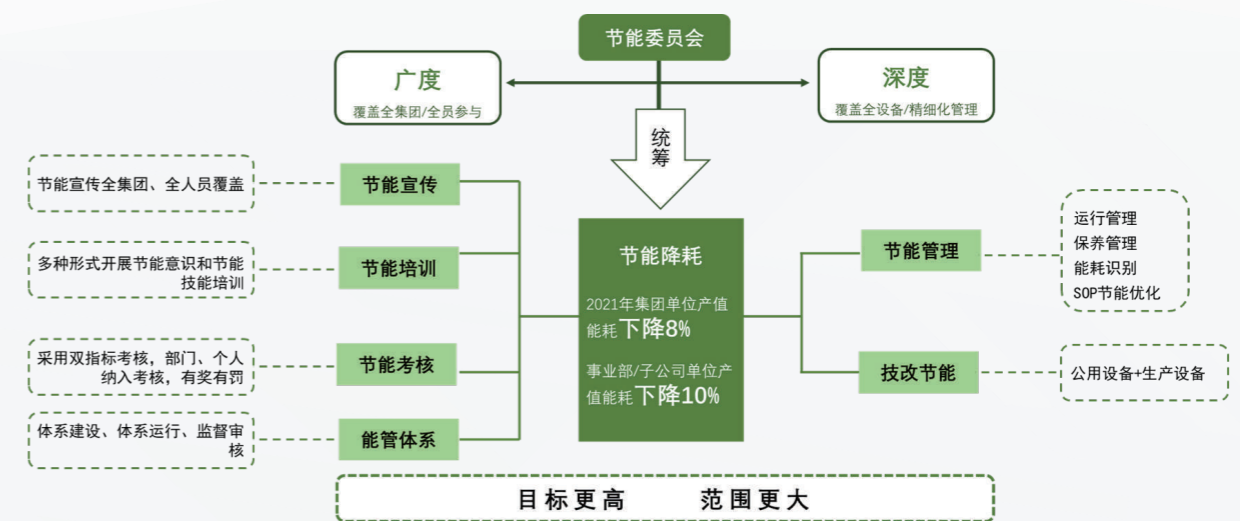
1. 确认集团节能目标指标
2. 确认各事业部/子公司节能责任人
3. ISO50001体系方针签发及节能减排整体方向把控

节能责任人职责：

1. 统筹事业部节能工作，落实节能目标
2. 任命节能执行人，支持事业部节能工作

节能执行人职责：

1. 具体执行事业部节能减排工作，完成节能减排目标
2. 参与集团节能减碳和ISO50001体系会议，并负责完成各项交办业务
3. 节能自查及节能技改推动，跨部门节能稽查



Energy-Saving Transformation

During the Year, we invested RMB 5,356,000 in 49 energy-saving technological transformation projects, achieving a saving of 17,330,000 kWh or RMB 9,117,000, and reducing carbon dioxide emissions by 16,445 tonnes.

Partial list of energy-saving technological transformation projects in 2021.

Energy saving project		Energy saving (1000 kWh/year)	Implementation area
Vacuum energy-saving transformation	Remove vacuum generator and use vacuum pump to reduce compressed air consumption.	52	Shuitian Park
Energy-saving renovation of central air-conditioning	Central air-conditioning and cooling water tower intelligent control adjustment.	70	Guangming Park
	Air-conditioning system cooling and cooling water pump frequency conversion energy saving control.	53	Yuyongxing Park
Reduce compressed air consumption of production lines	Improving control logic and solving compressed air waste. Replace small nozzles and increase flow control valves to reduce compressed air consumption.	31	Battery business Part II
Coating machine Thermal insulation	Thermal insulation on the surface to prevent heat from spreading to the workshop.	33	Liwinon

Energy-saving



Vacuum energy-saving transformation



Variable frequency transformation of air conditioning pump transformation



NMP Phase II Waste Heat Recovery transformation

Energy Conservation Management

Four more subsidiaries of the Group obtained ISO50001 energy management system certification during the year, and now a total of 5 subsidiaries have obtained such certification. In terms of energy informatization construction, the Group completed the construction of energy management centers in two main industrial regions in Shenzhen and started the construction of energy platforms for subsidiaries in Huizhou industrial region.

Through the implementation of energy-saving reward and punishment measures, the Group promotes transformation of “low-carbon, efficient, green and innovative” enterprises. The Group’s “Administrative Regulations on Energy-saving Rewards and Punishments” specifies the basis, standards and procedures for rewards and punishments, so that the rewards and punishments are fair, just and open, and employees are given equal bonuses according to the level of energy-saving benefits.

The Energy Conservation Committee carried out energy-saving inspection to rectify the existing problems in a timely manner. In 2021, the rectification rate of various problems reached 85%, and the remaining 15% was carried out in energy-saving technological transformation projects.

Energy-saving



Vacuum energy-saving transformation



Variable frequency transformation of air conditioning pump transformation



NMP Phase II Waste Heat Recovery transformation

Energy Conservation Management Achievements

Energy informatization construction



Low-carbon Model Enterprise Certification



Energy Efficiency Test



Clean Technology Opportunities

With the further advancement of the dual-carbon goal, the Group's electric vehicle battery segment and energy storage business will face the blue ocean market prospects. The Group expects to seize business opportunities and actively assume social responsibilities, and fully grasp the development opportunities of clean technology in five aspects, namely, building a low-carbon industrial park, applying industrial internet technology, expanding electric vehicle battery business, promoting photovoltaic energy storage and participating in carbon credit projects.

Qinghai Province is one of the most abundant lithium resources places in the world. The Group has signed a strategic cooperation agreement with the Qinghai Provincial People's Government on "Qinghai World-class Salt Lake Industry Base Lithium Energy Storage Integration Zero Carbon Industrial Park". The two parties will focus on construction of world-class salt lake industrial base and lithium energy storage integrated zero-carbon industrial park, based on the rich lithium resources of salt lake. In accordance with the principle of step-by-step implementation, the project will specifically promote the construction of upstream pure green lithium salt project, midstream energy storage battery project, downstream energy storage system integration and intelligent operation and maintenance lithium industry extension project. Through the cooperation of the entire industry chain from resources to the market, it will significantly reduce production costs, break through the dual barriers of resources and technology, and enhance the competitive advantages of the entire industry chain of lithium resources.



In order to seize the opportunities presented by vigorous development of the new energy industry in the context of dual carbon goals, Shenzhen Sunwoda Comprehensive Energy Service Co., Ltd. ("Sunwoda Comprehensive Energy"), a wholly owned subsidiary of the Group, cooperated with Zhongneng Lvhui New Energy Co., Ltd. ("Zhongneng Lvhui"), a wholly owned subsidiary of Zhongneng Electric Co., Ltd., in January 2022. Both parties intend to carry out overall strategic cooperation in terms of resource acquisition, project development, investment, construction and operation and maintenance of projects such as wind, solar, storage, charging and swapping power and integrated energy services. This cooperation aims to fully integrate the technical and resource advantages of both parties, achieve in-depth cooperation and industrial layout in the field of new energy (photovoltaic, energy storage, etc.), and jointly provide customers with advanced integrated smart energy solutions, which is in line with the Group's development strategy and shall have a positive impact on the development of new energy business in the future.

Energy Conservation Promotion and Training

During the Reporting Period, the Group disseminated information about a number of energy-saving activities, including energy-saving knowledge, promotion, reform proposals, award-winning questions and answers, etc. with 22,000 participants, effectively enhancing employees' awareness of need for energy conservation. In addition, the Group also provides energy-saving training to improve the level of energy conservation. For example, the Energy Conservation Committee regularly conducts programs for internal energy-saving skills, management energy-saving, energy management system training, energy management internal auditor training, etc.





In development of clean technology in the future, energy storage shall be the key factor in energy structure transformation and that will usher in good opportunities for leapfrog development. Sunwoda has established the "Energy Technology Segment", which is committed to R&D and promotion of energy storage and integrated energy. The energy storage business of the Group focuses on integration and application of lithium battery energy storage. It focuses on power grid energy storage, industrial and commercial energy storage, household energy storage, network energy and integrated energy services. With Shenzhen as the technology innovation center, the Group is expanding its global energy storage business to cover a wide range of application scenarios.

2021 Production Capacity 4.5GWh

Production capacity under construction 5GWh

Application 20 +

Accumulated installed capacity 1.99 GWh

Clean Energy



Guangming Industrial Base



Jinye Industrial Park



Boluo Industrial Base



Huizhou Zhenghao Industrial Base

Sunwoda Energy Storage Scale

Clean Energy

The 50MW photovoltaic Yuke power station in Yuzhou city, Henan province was independently developed and designed by the Group. It was successfully connected to the grid in 2016 and has generated approximately 60,000,000 kWh of electricity per year. Compared with the same thermal power generation, it is equivalent to approximately 17,000 tonnes of standard coal per year, which not only saves a large amount of freshwater resources, but also brings considerable social and environmental benefits, and is also beneficial to the energy structure adjustment in Henan Province. In addition, the Group has deployed photovoltaic power generation in various industrial parks in Guangming, Huizhou Nanjing, and Shenzhen to supplement the electricity consumption for operation; At the same time, Huizhou Park participated in the project of "demonstration of distributed energy system integrating and optimizing multi-energy complementation" in the "smart grid technology and equipment" special project of the 2017 national key research and development plan, and deployed 12MWp photovoltaic.

Clean energy construction



- Shenzhen Industrial Park built 460KW of rooftop distributed photovoltaic power generation, which can generate 85 million kWh of solar energy per year.
- Huizhou factory to build 12MW of rooftop distributed photovoltaic power generation, with an annual power generation capacity of about 11.5 million kWh.
- Solar streetlights replace electric streetlights.



Henan Yuzhou 50MW Photovoltaic Power Station



"Demonstration of Distributed Energy System with Multi-energy Complementary Integration and Optimization" Project

Environmental Management

The Group adheres to the environmental policy of "compliance with laws and regulations, prevention of pollution, people-oriented, safe operation, energy conservation and consumption reduction, and continuous improvement", strictly complying with relevant environmental laws and regulations. The Group continuously improves its environmental management system and the system construction, practices energy conservation and emission reduction in daily operations. We are committed to reducing the environmental impact of the Group. During the year, we did not violate any laws and regulations related to environmental protection that have a significant impact on the Group.

The Group regularly reviews the environmental management related systems and revises internal documents such as the "Environmental Safety Responsibility System" and the "Waste Management System" to ensure the effectiveness of the environmental management system. We also incorporate a series of environmental indicators into our performance evaluation, and encourage employees to protect the environment, save energy and reduce emissions through a reward and punishment system.

At the Group level, we have put in place the "Environmental Protection Management System", and the person responsible for each business department and subsidiary formulate their own environmental management systems. The Safety Management Committee, chaired by the General Manager, oversees the environmental management work and performance of the Group. The Committee is responsible for promoting and implementation of various environmental protection measures. Regular meetings are held to summarize the environmental management work.

Identification of environmental aspects

- Identify the actual and potential impacts of the entire product life cycle on the environment, and incorporate the identified important environmental factors into the environmental policy, objectives and management plan
- In the process of site selection and construction of the factory site, evaluation and analysis of the selected site and the surrounding environment are strictly in accordance with relevant standards.

Environmental audit

- Commission a third-party agency to conduct a comprehensive inspection
- Review the environmental safety management system at the end of each year, and regularly review the effectiveness of the environmental management system
- Irregularly inspect the environmental management work at the department level and the Group level

Environmental warning

- Formulated the "Environmental Pollution Prevention and Management Regulations", requiring all subsidiaries to carry out risk assessments for environmental emergencies, investigate emergency resources and formulate emergency plans for emergencies
- The security center regularly conducts emergency drills, analyzes problems during the drills and improves emergency plans

During the Reporting Period, one subsidiary of the Group obtained ISO14001 environmental management certification. As of 31 December 2021, a total of 14 subsidiary companies obtained ISO14001 certification, achieving full coverage of major production plants.

Emission Management

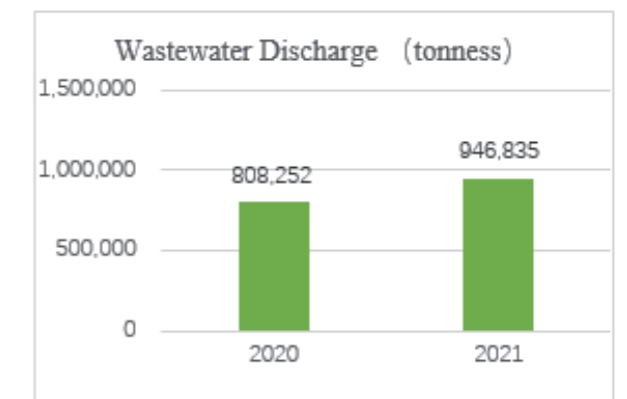
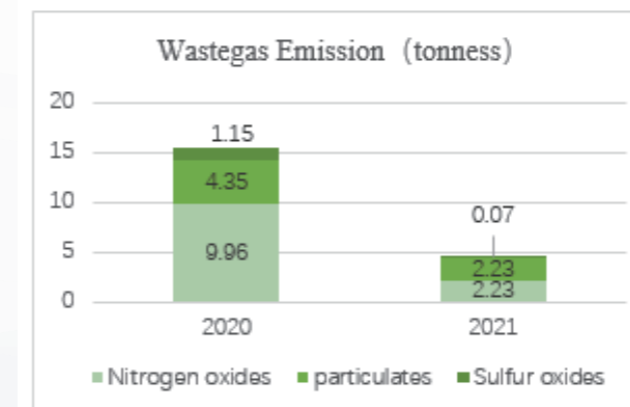
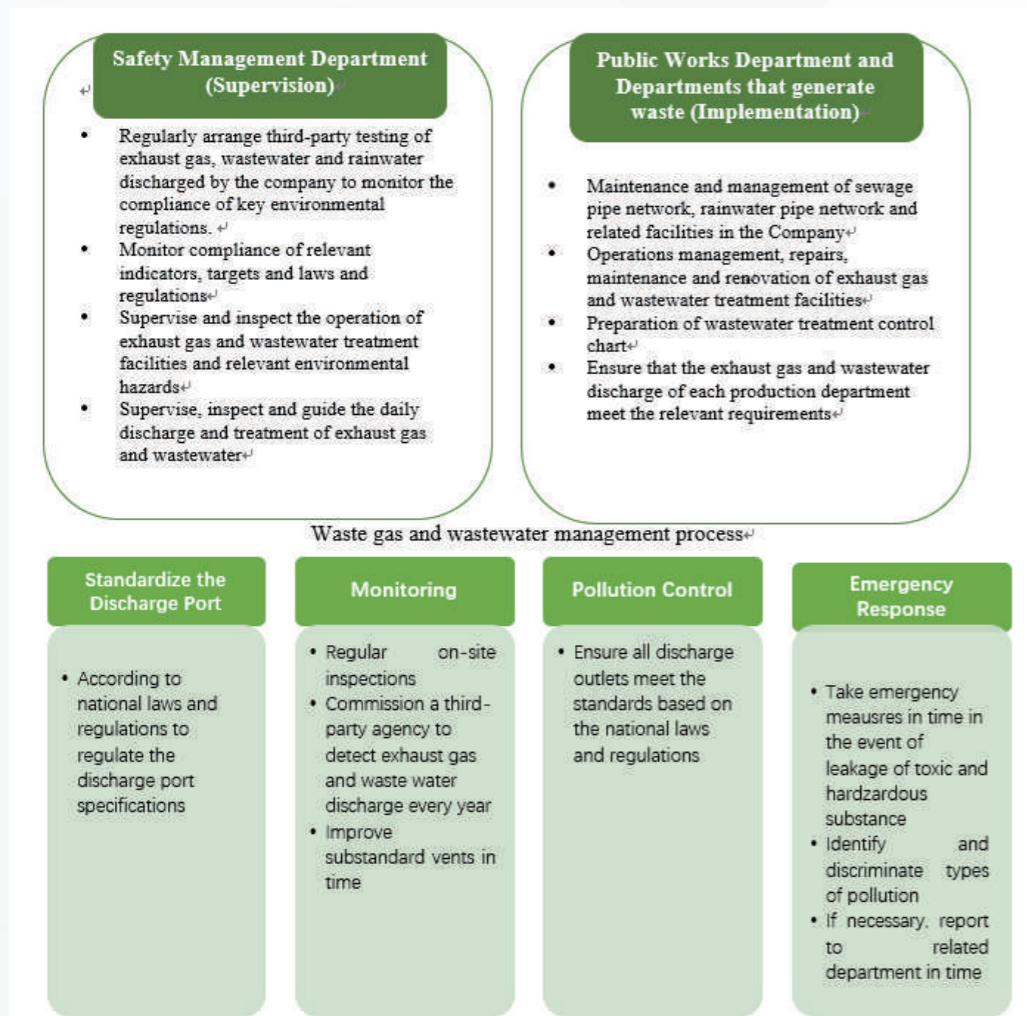
Discharges by industries are the main cause of environmental pollution and waste of resources. The Group strictly controls the discharge of wastewater and waste gas generated in the course of production of products and is committed to reducing pollution discharge on the basis of compliance.

Waste gas and wastewater

The Group generates a certain amount of exhaust gas emissions in the process of production, canteen operations, vehicles, and machinery use, and generates wastewater in daily production. In order to manage the environmental impact caused by such emissions, we have formulated the "Implementation Rules for the Control of Exhaust Gas, Wastewater and Rainwater Pipeline", which clearly clarifies the control process of exhaust gas and wastewater pipelines and responsibilities of each department on this issue. The Group's Safety Management Department, Engineering Department, and various production departments are jointly responsible for waste gas and wastewater management. During the year, all exhaust gas and wastewater of the Group were treated properly and there was no violation of relevant laws and regulations.

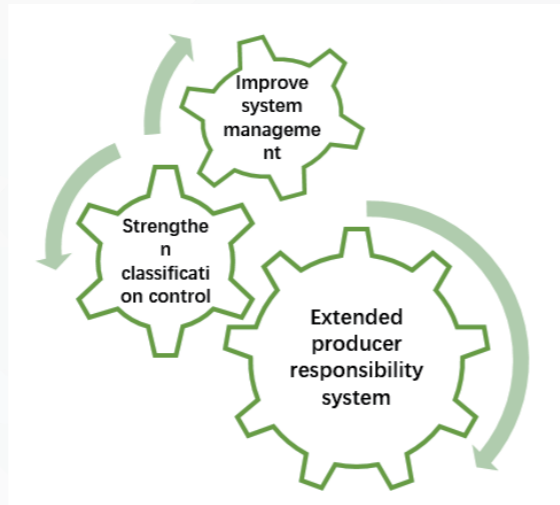
The Group attaches great importance to management and control of ozone-depleting substances (ODS), and has put in place the Ozone-depleting Substances Management Procedures to control ODS emissions. The General Manager of the Group is responsible for integrating various resources used to protect the ozone layer. Each business division is responsible for identifying the use of ODS in the factory, conducting inspection of the equipment or process using ODS, conducting regular inspection and maintenance on the relevant equipment, and studying and establishing alternative plans to gradually phase out the use of ODS substances and equipment. All fire extinguishers use dry powder fire extinguishers, and 1211 fire extinguishers are prohibited.

In 2021, the Group's exhaust gas emissions comprised of particulate matter, sulfur oxides and nitrogen oxides amounting to 2.23 tonnes, 0.07 tonnes and 2.23 tonnes respectively, and the wastewater was 946,833 tonnes. As 7 new subsidiaries were included in the scope of environmental data disclosure during the year, the amount of wastewater discharged in 2021 increased as compared with the previous year. During the year, we newly invested in the RTO regenerative oxidation furnace to treat exhaust gas emissions generated during the production process. According to the third-party testing results, the emission concentration of non-methane total hydrocarbons and butyl acetate after the equipment was put into use has been effectively reduced by 98%, which is far below the prescribed emission standards.

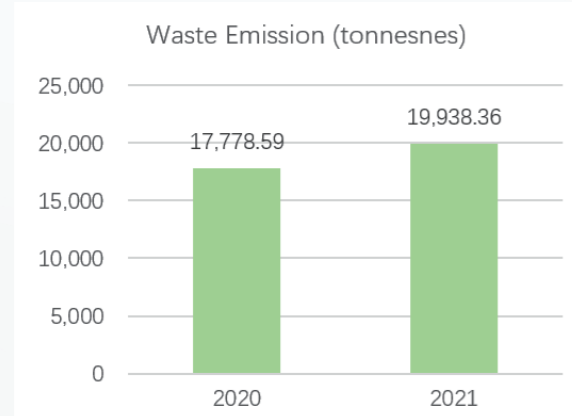


Waste Management

The Group has put in place the "Rules for the Implementation of Solid Waste Control" and other documents and regulations, and continuously strengthens waste management by regularly reviewing relevant documents. We divide waste into three categories, namely general waste, hazardous waste, and domestic waste. In particular, we have established a corresponding hazardous waste management system in accordance with the requirements of laws and regulations, clarify the relevant requirements for collection, storage, transportation and disposal, and entrust qualified hazardous waste disposal agencies for disposal. After the classification of general waste in the plant area, the waste is recycled and disposed of by the resource recycling company. Domestic waste is disposed of by the local sanitation department. In 2021, the Group generated a total of 19,938.36 tonnes of waste, the intensity was 0.003 tonnes per million production value.



We strictly abide by the "National Hazardous Waste List" and strictly control identification, classification, storage, transportation and other processes of hazardous waste to avoid environmental safety accidents caused by hazardous waste. Relevant departments and personnel involved in hazardous waste are required to clearly record the generation of hazardous waste and the status and person-in-charge of each treatment process, so that the root causes of the problems can be tracked in a timely manner when necessary. In 2021, the Group generated a total of 911.84 tonnes of hazardous waste, all of which have achieved safe and compliant treatment.



Classification and collection of hazardous waste

According to the "National Hazardous Waste List", all hazardous wastes are classified and stored in hazardous waste collection points, reaching 100% collection, and corresponding anti-pollution measures shall be set up.

Transportation of hazardous waste

During transportation, personal protection, fire prevention and leakage control should be done well; the hazardous waste administrator must supervise the hazardous waste to be classified into storage according to requirements

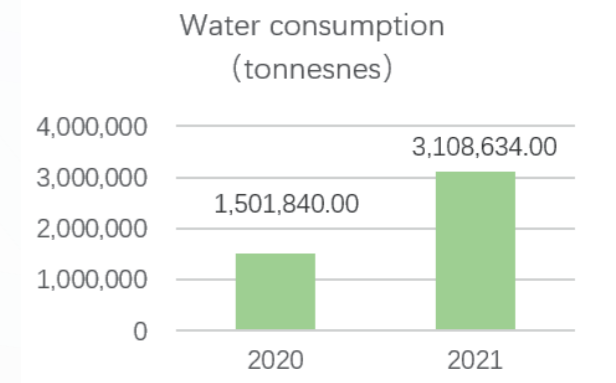
Storage of hazardous waste

Hazardous waste storage sites must comply with the "Hazardous Waste Storage Pollution Control Standards". We regularly check the storage situation of hazardous waste, and issue a "Hazardous Waste Collection and Transportation Notice to the hazardous waste treatment supplier at least one week before the maximum storage capacity of the hazardous waste warehouse is expected to be reached.

Hazardous Waste Management Process

Green Operation

The Group takes various measures to promote recycling of water resources used in daily production and office operation. In 2021, the Group consumed a total of 3,108,634.00 tonnes of water resources, with an intensity of 0.47 tonnes per million production value.



Recycling Wastewater in Boluo

- Self-built domestic wastewater station, industrial wastewater station and reclaimed water recycling room in Boluo Industrial Park.
- After being treated by the industrial wastewater station and the reclaimed water recycling room in the industrial park, wastewater is recycled and reused as supplementary water in the air-conditioning cooling tower to achieve zero discharge of industrial wastewater.
- Domestic wastewater can be used for greening, irrigation, toilet flushing, etc. after being treated by the living wastewater station of the park (expected to be recycled in February 2022).

Our Group is committed to integrating the concept of sustainable development into its daily operations, and has formulated the Personal Energy Conservation Management Regulations to enhance employees' awareness of energy conservation, regulate employees' energy conservation behavior, and create a green office atmosphere. At the same time, the "Three Prohibitions, Five Shutdowns" action was launched, which means that the office area is prohibited from storing battery cells, storing hazardous chemicals, and placing items on the window. "Five turn-off" refers to turning off computers, air conditioners, lights, power, and doors and windows when office staff are leaving the office.

Saving Electricity

- Reasonable arrangement of electrical equipment to reduce power loss of sockets
- Regular maintenance of equipment to maintain its frequency of use
- When the device is not in use, turn off the power switch in time

Saving Water

- Regularly check faucets and other equipment to avoid water leakage
- Recycle air conditioner condensate for watering indoor plants
- Reduce detergent usage and standardize handwashing behavior

Saving office supplies

- Promote electronic office and reduce the use of disposable items
- Set up paper recycling bins to sort paper that can be reused
- Promote double-sided, low-density printing

Community Responsibility

The Group actively participates in various public welfare activities in the society, responds to the national strategy of "rural revitalization" and fulfills its corporate social responsibility.

Disaster Relief and Pandemic Prevention | Medical Assistance | Rural Revitalization | Community Involvement



The Group is committed to fulfilling its social responsibilities. With the "Shenzhen Sunwoda Charity Foundation" as the platform, the Group has been focusing on poverty alleviation, education, medical assistance, disaster relief and other aspects for a long time, actively supporting social welfare and charity and promoting social harmony. We have formulated "Articles of Association of Shenzhen Sunwoda Charity Foundation" and the "Administrative Measures for Charitable Donations of Sunwoda" to provide guidance for our public welfare activities. In 2021, the Group's unaudited expenditure on public welfare projects exceeded RMB 6,790,000.

Through doing our part in public welfare, we aim to promote charity spirit, to enhance public awareness, and to build a harmonious society.

Disaster and Epidemic Relief

Sunwoda has actively participated in disaster relief activities. In terms of epidemic prevention and control, we demonstrated our care for frontline community workers and medical staff, and donated disposable protective clothing and other epidemic prevention materials to help fight against the epidemic together. In terms of natural disaster relief, in July 2021, regional severe floods occurred in many places in Henan, and safety of lives and property of local people were greatly threatened. Sunwoda donated RMB 2,900,000 to Henan through Shenzhen Baoan District Charity Association and RMB 56,000 to Henan Charity Federation for rescue operations and life supplies for the affected groups, collective resettlement, post-disaster reconstruction and other related work.



Spending on Public Welfare in 2021
6,790,000

Volunteering hours
358 hours



Medical Assistance

The Group participates in medical assistance with practical actions to provide guarantee for patients to seek medical treatment. Our Sunshine Guardian Program has provided assistance to 16 patients suffering from major diseases, with a total of RMB 390,000, effectively helping people and family with difficulties caused by major diseases.

Sunwoda sponsored and cared for children with hematology diseases, organized employees to participate in the "Qingwawa" charity walk, and encouraged more people to pay attention to children with hematology diseases. We pay attention to the life and learning of hospitalized children during medical treatment. We funded the construction of children care space in the Children's Hospital of Shiyan People's Hospital of Baoan District, Shenzhen and the Seventh Affiliated Hospital of Sun Yat-sen University, providing a friendly, happy and childlike platform for children with hematological tumors, and serving 600 children with patients. In addition, we also paid attention to the nutrition and health of children hospitalized and sponsored the Seventh Affiliated Hospital of Sun Yat-sen University to build a caring mobile kitchen, serving more than 720 families of patients.



Shiyan People Hospital - Children Caring Space



the Seventh Affiliated Hospital of Sun Yat-sen University— Sunwoda Kitchen caring for children with diseases

Rural Revitalization

2021 was the first year of rural revitalization. Our Group actively responds to the national call and contributes to rural revitalization. Based on our own planning and actual situation, the Group helps rural revitalization in poverty alleviation through education and consumption, bearing its share of corporate social responsibility.



Poverty alleviation through consumption:

In July 2021, the Group called on its business departments/branch employees to actively participate in poverty alleviation through consumption, purchasing 16.72 tonnes of agricultural products from Baise and Huanjiang County, Guangxi province, and the amount of poverty alleviation through consumption reached RMB 3,640,000, effectively helping poverty-stricken areas solve the problem of difficult sales of poverty alleviation products, and driving local villagers to get rid of poverty and become rich.



Education Revitalization:

Sunwoda cares about and supports the development of education and continues to deepen the education support. We donated school uniforms to 2,556 students from three primary schools in Duan County, Dahua County and Huanjiang County, Guangxi province, and served 225 teachers and students. We also donated breakfast to improve students' living and nutrition and supported the revitalization of rural education.



Social Revitalization:

Sunwoda delivered donation-in-kind to 19 municipalities covering 255 elderly persons aged over 60 during the Chinese New Year. The donation package includes necessities and pandemic prevention materials which helped improve their daily living conditions, representing our blessing to them.

Community Participation

Sunwoda organized employee visit to the nursing home, and sent them rice crackers, milk, and other donation-in-kind, celebrating birthday of the elderly.

In May 2021, Sunwoda organized an event to pay tribute to the city guardians, caring for the frontline community police, frontline traffic police and sanitation workers, sending comforting materials to them and thanking them for their hard work in building a civilized city.



Caring for the Elderly



Caring for the sanitation workers

2021 Key Performance Indicators

Indicators ⁵	2021	2020	
Resources Consumption			
Electricity (kWh)	705,998,215.68	333,825,344.00	
Natural gas (m ³)	8,887,807.00	3,299,857.10	
Petrol (Litre)	189,095.28	69,360.00	
Diesel (Litre)	5,626.11	40,651.00	
Water (tonnes)	3,108,634.00	1,501,840.00	
Greenhouse gases (tCO₂e)			
Total GHG emissions	587,498.58	275,888.12	
Direct emissions (Scope 1)	19,734.81	7,425.77	
Indirect emissions (Scope 2)	567,763.77	268,462.34	
Exhaust pollutants (tonnes)			
Non-methane hydrocarbon	5.62	2.61	
NO _X I	2.23	9.96	
SO _x	0.07	1.15	
PM	2.23	4.36	
Others ⁹	2.45	0.79	
Waste water pollutants (tonnes)			
COD	31.12	32.45	
Ammonia nitrogen	2.16	3.12	
Suspended solids	10.88	12.25	
Total nitrogen	3.02	3.76	
Total phosphorus	0.13	0.18	
BOD ₅	5.16	6.29	
Wastewater discharge (tonnes)	946,835.00	808,252.00	
Hazardous waste (tonnes)¹⁰			
Waste rag gloves	238.53	80.81	
Waste organic solvents	80.61	51.20	
Waste pulp	188.44	28.09	
Surface treatment sludge	18.99	18.99	
Cleaning solution	134.50	16.13	
Organic engine oil	6.77	15.49	
Waste NMP cleaning fluid	64.13	12.08	
Active carbon	14.04	10.82	
Waste emulsion	7.63	7.63	
Waste empty containers	42.87	6.74	
Waste contaminants	24.50	6.34	
Waste filter	8.34	3.72	
Others ¹¹	82.54	5.7	
General waste (tonnes)			
Industrial waste	Produced	13,012.59	11,794.38
	Recycled	12,562.78	11,456.14
Domestic waste	Produced	6,019.55	5,720.47
	Recycled	1,525.39	1,415.40
Packaging material consumption			
Cartons	13,945,120	5,010,300	
Graphic Cartons (piece)	22,542,503	11,776,704	

Employees	Tray (pieces)	36,483,753	28,573,831	
	Blister box (pieces)	26,544,786	13,013,326	
	Stretch film (rolls)	84,847	69,961	
	Cartons Sealing tape (rolls)	136,532	146,855	
	Wooden pallet (pieces)	19,702	98,467	
	Plywood (pieces)	92,070	43,445	
	PE bag (pieces)	30,726,510	34,210,949	
	Paper blade (pieces)	6,813,502	8,451,917	
	Partition (pieces)	11,421,263	7,127,693	
	Paper angle (pieces)	2,652,677	1,307,473	
	Total number	36,127	27,500	
	Gender Distribution			
	Male	24,524	18,334	
	Female	11,603	9,166	
	Function distribution			
	Production personnel	23,587	18,638	
	Sales personnel	369	115	
	Technical personnel	6,973	5,521	
	Finance personnel	189	144	
	Executive personnel	3,829	1,741	
	Management personnel	1,180	1,341	
	Education background			
	Doctor degree	93	70	
	Master's degree	960	735	
	Bachelor's degree	4,955	3,242	
	College degree	5,649	4,491	
	Below college degree	24,470	18,962	
	Age Distribution			
	< 30	19,080	15,620	
30-50	16,878	11,769		
> 50	169	111		
Gender Distribution of Management				
Male management	712	959		
Female management	468	246		
Ratio of female managers	39.66%	20.41%		
Contract signing				
Employees signing labor contracts	36,127	27,500		
Labor contract signing rate	100.00%	100.00%		
Occupational Safety and Health Performance				
work-related injury accidents	0	0		
Number of work-related injuries	52	44		
Number of work-related fatalities	0	0		
Complaint resolution rate				
	100.00%	100.00%		
Performance of economic contracts				
Number of actual performance contracts	206,269	264,139		
Number of contracts to be performed	213,227	298,931		
Performance rate of economic contracts	96.74%	88.36%		
Suppliers-Regional Distribution				
Mainland China	4,871	1,969		
Other regions	624	131		
Total	5,495	2,100		
Community	Charitable donation (RMB '000)	679.00	1,212.10	
	Volunteering hours (hours)	358	772	

Content Index

Contents		China Corporate Social Responsibility Reporting Guide (CASS-CSR4.0)
Cover	/	G1.1-1.2
About this Report	Reporting Scope	P1.2
Message from Chairman	/	P2.1-2.2
About Sunwoda	Milestones	P4.1
	Development History	P4.3
	Business Segments	P4.2
	Honours and Achievements In 2021	P4.3
Responsibility Management	Social Responsibility Management	G3.1-3.3
	Material CSR Issues	G2.1, G6.1
Economic Responsibility	Section Page	M1.6-1.8
	Organization and Governance	M1.1-1.2, M1.4-1.5
	Integrity Construction	M1.3, S1.1-1.2
Customer Responsibility	Section Page	M2.5-2.6
	R&D and Innovation	M2.4, M2.7, M3.5
	Quality Management	M2.2, M2.3
	Customer Service	M2.13-16, M2.18
Partner Responsibility	Section Page	M3.15-3.16
	Supply Chain Management	M3.9-3.12,
	Responsible Procurement	M3.7-M3.8
Employee Responsibility	Section Page	S3.5, S2.11, S2.15, S3.6
	Labor Management	S2.1-2.3, S2.7-2.8, S2.10
	Talent Management	S2.14-2.16
	Employee Care	S2.4, S2.17-18
	Occupational Health and Safety	S2.12, S3.1, S3.3-3.4, S3.6-3.7
Environmental Responsibility	Section Page	E1.8
	Tackling Climate Change	E2.3-2.6, E2.24-2.25
	Clean Technology Opportunities	E2.7
	Environmental Management	E1.1-1.2
	Emissions Management	E2.12, E2.13, E2.15, E2.18-2.18
	Green Operation	E2.9-2.10, E3.1
Community Responsibility	Section Page	S4.8
	Disaster and epidemic relief	S4.6-4.8, E3.6
	Medical Assistance	S4.9
	Rural Revitalization	S4.12
	Community Participation	/
Appendix	2021 Key Performance Indicators	A2
	Content Index	A5
	Feedback	A6

Feedback

Dear readers:

Hello!

Thank you very much for reading the 2021 Corporate Social Responsibility Report of Sunwoda Electronic Co., Ltd. In order to further improve the quality of our Group's social responsibility management and reporting, we sincerely invite you to provide valuable opinions and suggestions on this report to help us make continuous improvements. We will fully consider your opinions and suggestions and undertake to properly protect your information from being accessed by third parties.

1. Which type of stakeholders do you belong to?			
<input type="checkbox"/> Employees	<input type="checkbox"/> Customers	<input type="checkbox"/> Suppliers and partners	<input type="checkbox"/> Shareholders or investors
<input type="checkbox"/> Government or regulators	<input type="checkbox"/> Peer companies	<input type="checkbox"/> Community residents	<input type="checkbox"/> Media institutions
<input type="checkbox"/> NGOs	<input type="checkbox"/> Research institutions	<input type="checkbox"/> Banking	<input type="checkbox"/> Others (please specify) : _____
2. Do you think this report has fully reflected the Group's social responsibility performance in 2021?			
<input type="checkbox"/> Very much	<input type="checkbox"/> Generally yes	<input type="checkbox"/> Partially embodied	<input type="checkbox"/> Not fully reflected
3. Do you think the information disclosed in this report is true?			
<input type="checkbox"/> Very much	<input type="checkbox"/> Generally yes	<input type="checkbox"/> Part Truthfulness	<input type="checkbox"/> Total not true
4. How do you think of the framework structure of this report?			
<input type="checkbox"/> Clear	<input type="checkbox"/> Normal	<input type="checkbox"/> Okay	<input type="checkbox"/> A bit confused
5. Do you think this report is easy to read?			
<input type="checkbox"/> Very much	<input type="checkbox"/> Generally yes	<input type="checkbox"/> Low readability	<input type="checkbox"/> Difficulty to read
6. Do you have any opinions and suggestions on the Company's social responsibility work? If any, please complete the following.			
<input type="checkbox"/> Nil	<input type="checkbox"/> Yes, _____		
7. Please leave your name and contact details.			
Name:		Contact information (mobile phone number or email address):	