



2022

Environmental, Social
and Governance (ESG) Report



Achieve greatness through win-win cooperation, benefit mankind for a better world

About the Report

Basis for Report

This report is prepared in accordance with Appendix 27 of *Main Board Listing Rules* by The Stock Exchange of Hong Kong Limited (“HKEX”) – *Environmental, Social and Governance Reporting Guide*, and also referenced the United Nations 2030 Sustainable Development Goals (SDGs), *Sustainability Reporting Standards* by the Global Reporting Initiative (GRI Standards), *CASS-ESG Guidelines* of Chinese Academy of Social Sciences(CASS-ESG5.0), and *Guidance on Climate Disclosures Following the TCFD Recommendations* by the HKEX.

Reporting Principles

This report adheres to the materiality, quantitative, balance, and consistency principles of *Environmental, Social and Governance Reporting Guide* by the HKEX:

- (1) Materiality: We have conducted identification of stakeholders and material issues, and determined the content and scope of the report based on the results of the identification. The specific identification process and material issues contents can be found in the “Stakeholder Participation” and “ESG Material Issues” sections of this report.
- (2) Quantitative: The statistical standards, methods, assumptions and/or calculation tools for the quantitative key performance indicators in this report, as well as the sources of conversion factors, have been explained in the corresponding sections where appropriate .
- (3) Balance: This report objectively presents the performance of the company in ESG aspects to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
- (4) Consistency: This report uses consistent disclosure and statistical methodologies to allow for meaningful comparison of ESG data over time.

Reporting Period

This report covers the period from January 1, 2022 to December 31, 2022 (hereinafter “reporting period”). In order to enhance the comparability and forward-looking nature of the report, some contents are moderately extended to the previous and subsequent years.

Scope of Report

Unless otherwise stated, this report covers CALB Group Co., Ltd. and its branches and subsidiaries.

Data Sources

The information in this report is sourced from internal statistical data, annual reports and public materials of the company. The unit for financial records featured in this report is Renminbi (RMB), unless otherwise stated/specified .

Abbreviations

For easy expression and reading, “CALB Group Co., Ltd.” in this report is also represented by “CALB”, “Company”, “the Company” and “We”.

Obtaining the Report

In order to promote green environmental protection, this report is only available in electronic version. You can view or download CALB’s ESG report online on CALB’s official website (<http://www.calb-tech.com>) or the official website of HKEXnews (<https://www.hkexnews.hk>). This report is available both in Chinese and English, if there is any difference in understanding between the two versions, please refer to the Chinese version.

Contents

02	About the Report
04	A Letter from the Chairman
05	Board of Directors' Statement
06	2022 ESG Highlights
07	About CALB
07	Company Profile
08	Corporate Culture
09	Business Layout
10	Company Honors
11	ESG Management

16	Special Topic
	High-Quality Intellectual Property Rights Navigate CALB's Global Development
72	Appendix
72	Content Index of the HKEX ESG Reporting Guide
74	Key Performance Table 2022
79	Feedback Form

20 Innovative Navigation and Quality Creation

22	Continuous Technological Innovation
27	Providing High-Quality Products
30	Focusing on Customer Service

48 People-Oriented and Common Cause

50	Empowering Employees Development
53	Attaching Great Importance to Employees' Care
56	Occupational Health and Safety
59	Driving Local Development

32 Low-Carbon Environmental Protection and Green Development

34	Green & Low-carbon Management
37	Responding to Climate Change
40	Clean and Green Production
47	Promoting Green Office

64 Integrity Development and Mutual Benefit

66	Perfecting Governance Mechanism
67	Committed to Sustainable Operation
68	Compliance with Business Principles
70	Responsible Supply Chain

A Letter from the Chairman



Chairman: Jingyu Liu

刘静瑜

In 2022, CALB seized opportunities in challenges and continued writing its legend. We successfully listed on the HKEX and entered the international capital market, making new strides in market expansion, capacity scale, brand influence, and leading the industry ecology. While we continued to achieve significant improvements in our business performance, we attached great importance to ESG management and integrated it into our corporate development strategy, firmly taking the path of sustainable development.

We continue to make future-oriented technological innovations, perfect our industrial chain layout, and use our excellent capabilities and sincerity to gain high recognition from our customers. In 2022, we launched a number of world-first and leading technologies and products, achieved multiple times of sales growth, laid out a European industrial base, opened a new chapter for the implementation of internationalization strategy, and contributed to the global green & low-carbon development.

We continue to carry out carbon management efficiently, set carbon reduction targets, build long-term energy-saving and emission reduction mechanisms, and strive to promote the collaborative reduction of carbon in the entire supply chain. We actively identify and actively respond to the risks and opportunities posed by climate change, and formulate special response measures to climate risks.

We firmly believe that the realization of employee's self-worth is a strong internal driving force for the company's sustained and healthy development. We respect and cultivate our employees, providing development platforms for willing and capable employees, empowering employees to grow rapidly and improve their own capabilities to realize their self-worth. We care for employees and continue to enhance their sense of belonging and happiness.

We actively practice social responsibility and fulfill our responsibilities as a corporate. We care for the growth of teenagers, and safeguard the future of our country. Our company also continues to support Student Formula Combustion China (FSC) and cultivate highly-skilled talents in the new energy industry. We participated in earthquake relief and public welfare charity, and promoted community building. We have always been committed to making new contributions to the high-quality development of the local area.

CALB will continue to uphold the mission of "Achieve greatness through win-win cooperation; benefit mankind for a better world", and work hand in hand with all stakeholders to do its utmost to take up responsibility for implementing the "carbon peaking and carbon neutrality goals"¹, and to contribute to a harmonious, coexistent, green and sustainable energy ecology and a better future for mankind.

Board of Directors' Statement

CALB highly approves that ESG means significant to company's sustainable and high-quality development. The company has established an ESG management system and continuously improved its ESG management level. As the highest responsible body for ESG management, the Board of Directors has authorized the Audit Committee to coordinate and manage the company's ESG matters including review the company's ESG related policies, strategic objectives and ESG reports, supervise the achievement of ESG goals, evaluate and manage ESG related risks, and report to the Board of Directors.

CALB regularly conducts identification and assessment of ESG material issues. The specific identification process and results can be found in the sections "Stakeholder Participation" and "ESG Material Issues" of this report. The Board of Directors has assessed the potential impacts and related risks of ESG issues on the company's business, reviewed the assessment results of ESG material issues, and made the management and improvement of ESG material issues as the key work of ESG. During the reporting period, CALB has set reduction targets for the next three years and conducted climate risk identification work.

This report discloses in detail the progress and effectiveness of CALB's ESG work in 2022, and has been reviewed and approved by the Board of Directors. The Board of Directors is responsible for the truthfulness, accuracy and completeness of the contents of this report.

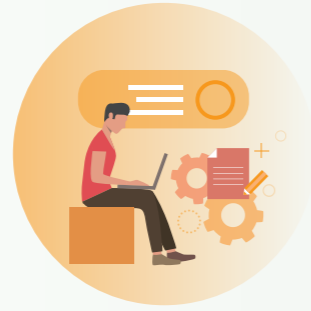
¹ The "carbon peaking and carbon neutrality goals", which also named "dual carbon goals", China has set forth a dual carbon national goal of reaching peak carbon emissions before 2030 and achieving carbon neutrality before 2060.

2022 ESG Highlights



Environment

- Won the ESG Golden Bull Award of China Social Responsibility Forum 2022 --- "Dual Carbon Pioneer Award"
- Obtained the first domestic carbon footprint certificate based on EU Battery Product Environmental Footprint Category Rules (PEFCR) and ISO 14067
- Set supply chain carbon reduction targets, and raw material suppliers will achieve 100% green power application by 2025
- Set carbon-reduction targets, with 2020 as the base year, and the carbon emission per unit product will be reduced by 34% before 2025



Social

- Obtained seven-star after-sales service system certification
- Undertook the national green zero-carbon key demonstration project - 700TEU-class Yangtze River trunk electric container vessel project
- won the Jiangsu Manufacturing Outstanding Contribution Award
- Strategic support for Student Formula Combustion China (FSC) in 2022
- Jointly released the *Technical Standards for Charging and Exchanging Electrical Construction Equipment for Transportation Infrastructure*
- The company's training has reached 138,344 employees



Governance

- Perfected governance framework, with three special committees set up under the Board of Directors
- Upgraded ESG management to governance level, added ESG supervision responsibilities in Audit Committee
- Joined the Corporate Anti-Corruption Alliance
- Obtained the qualification certification of *Industrialization and Informationization Integration Management System 2.0*
- Obtained the EcoVadis Silver Medal for Social Responsibility

About CALB

Company Profile

CALB is a high-tech enterprise specializing in the research and development and application of new energy technologies and products, commits to being an energy value creator. We build a comprehensive energy operation system to provide complete product solutions and lifecycle management for the application market of all scenarios of new energy, represented by power and energy storage.

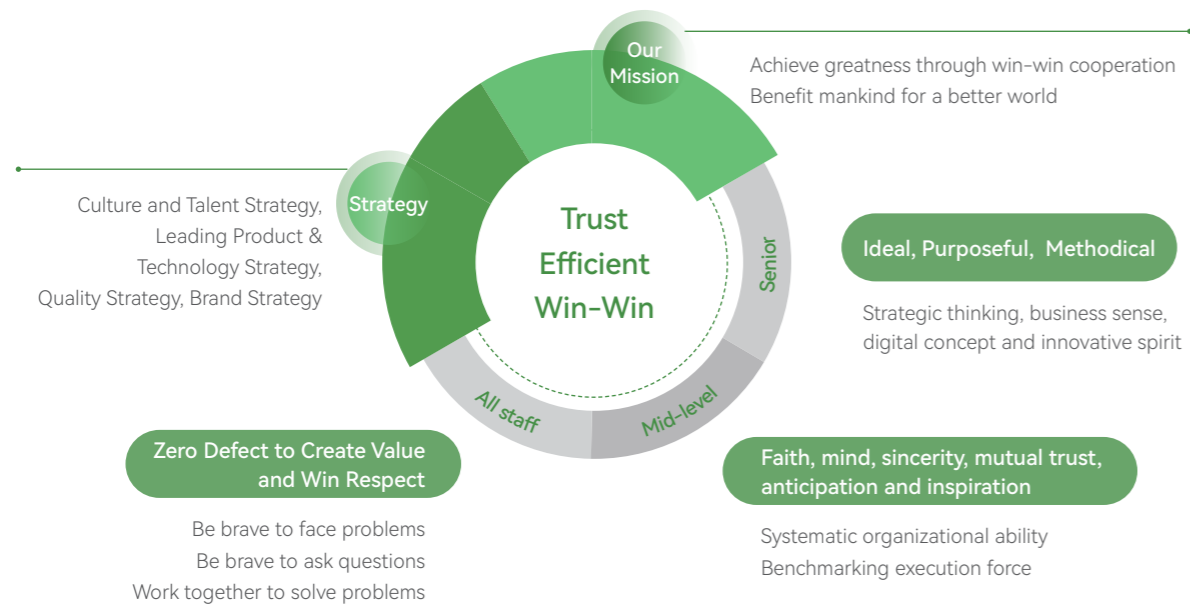
CALB has a continuous leading technological innovation capability. Based on the research platforms including the nationally recognized enterprise technology center and post-doctoral research station, we have been making continuous efforts in material technology innovation, structure technology innovation, manufacturing technology innovation, and eco-healthy development innovation to build a new energy technology innovation platform with global influence. CALB keeps building outstanding product power to serve the market, fulfill customers' satisfaction and realize win-win cooperation with ecological partners.

At present, CALB has established industrial bases in many places like Changzhou, Xiamen, Chengdu, Wuhan, Hefei, Meishan, Jiangmen, and has also set up European industrial bases, vigorously expanding overseas industrial layout, and building an internationally leading enterprise with the large-scale intelligent manufacturing strength!

With the mission of "Achieve greatness through win-win cooperation, benefit mankind for a better world", CALB is committed to pioneering innovation and technological leadership in the field of new energy, continuously shaping a healthy ecology of the new energy industry, and doing its utmost to take up responsibility for implementing the "carbon peaking and carbon neutrality goals" and the national strategy of new energy vehicles, and to contribute to a harmonious, coexistent, green and sustainable energy ecology and a better future for mankind.



Corporate Culture



Business Layout

CALB's headquarters is located in Changzhou City, Jiangsu Province. At present, five R&D centers have been set up in Changzhou, Shenzhen, Shanghai, Chengdu and Europe. Eight industrial bases have been constructed in Changzhou, Xiamen, Chengdu, Wuhan, Hefei, Meishan, Jiangmen and Europe. In the future, CALB will accelerate the implementation of its internationalization strategy to support the company's long-term, healthy, and rapid growth.



Energy Creator

Headquarter

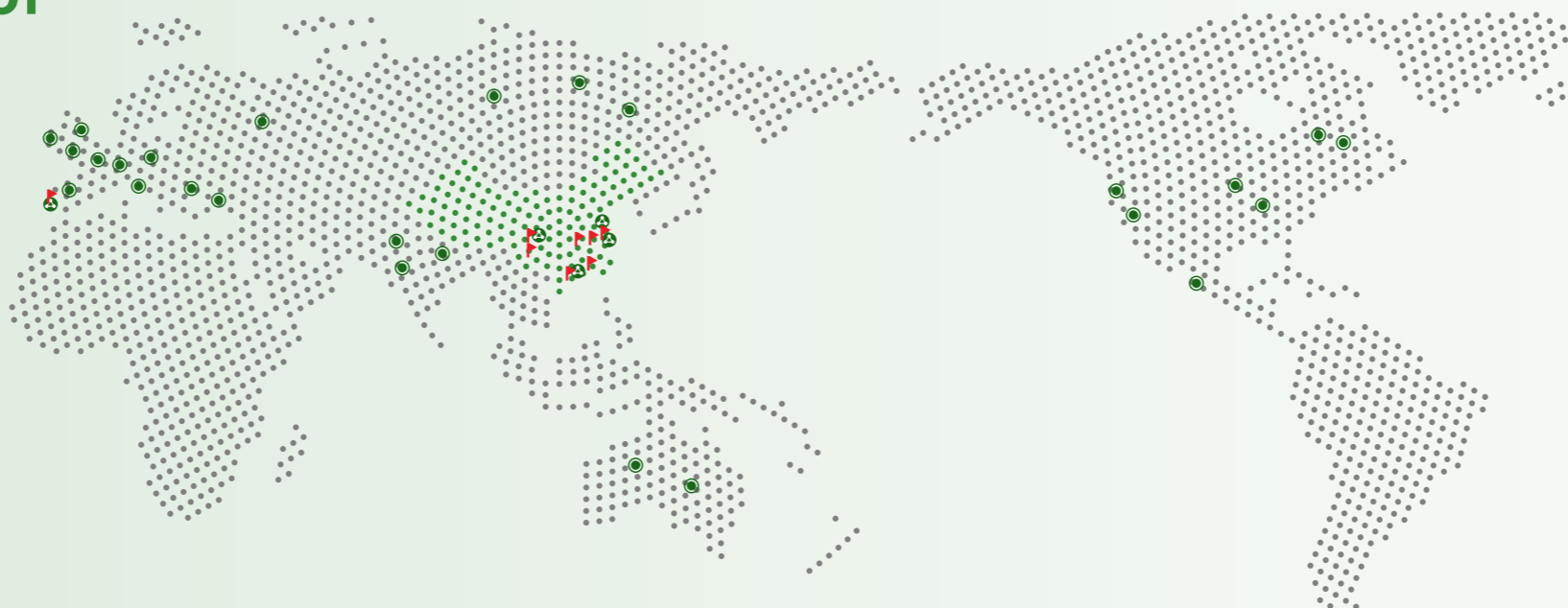
Changzhou · China




Five R&D Centers

Changzhou Shenzhen Shanghai
Chengdu Europe

Eight Industrial Bases

Changzhou Xiamen Chengdu Wuhan
Hefei Meishan Jiangmen Europe



-  Industrial base/subsidiary/branch
-  Institute
-  Major customers

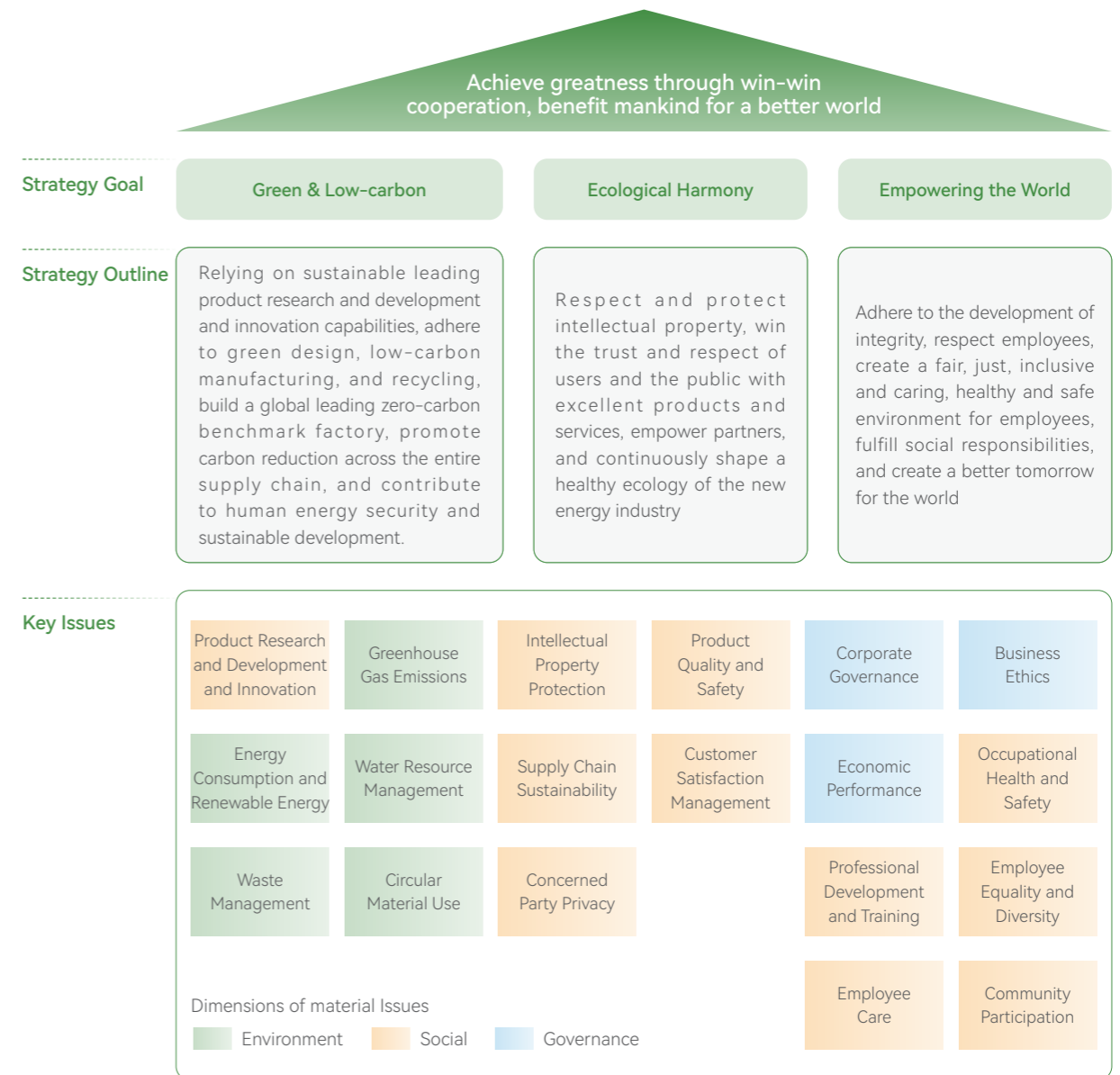
Company Honors

No.	Issuing Organization	Honors
1	Jiangsu Provincial Government	Jiangsu Outstanding Contribution Award for Manufacturing
2	Jiangsu Provincial Department of Industry and Information Technology	Jiangsu Smart Manufacturing Demonstration Factory
3	Jiangsu Provincial Health Commission	Jiangsu Healthy Enterprises
4	Changzhou Municipal Government	Changzhou Top Ten R&D Investment Enterprises in 2022
5	Changzhou Municipal Government	2022 Changzhou Sales Scale Award
6	Changzhou Municipal Government	2022 Listed Companies Award in Changzhou and Jintan District
7	Changzhou Municipal Government	2022 Major Project Investment Award
8	Changzhou Municipal Government	2022 Changzhou Patent Award
9	Jiangmen Municipal Government	2022 Local Economic Special Contribution Enterprise
10	National Intellectual Property Administration	2021 Selected "National Intellectual Property Advantages Enterprises"
11	Guangzhou Aian	2022 Outstanding Supplier
12	Xiaopeng Automobile	2022 Quality Gold Award - Jin Yi Award
13	Changan Automobile	2022 Outstanding Supplier
14	Changan Deep Blue	2022 Deep Blue Contribution Award
15	China Automotive Power Battery Industry Innovation Alliance	Global Power Battery Twelve Strong
16	China Association for Science and Technology	2021 "Innovation China" Rising Enterprises List
17	China Automotive Engineering Research Institute Co., Ltd.	2021 Enterprise Standard Pacesetter
18	Zhongtai Certification	Seven-star After-sales Service Certification
19	China ESG 100 Forum	2022 ESG Responsibility Bull Award - Dual Carbon Pioneer Award
20	Xinhua News Agency Group	2022 Jiangsu Social Responsibility Outstanding Enterprise
21	Jiangsu Provincial Government	Chairman Jingyu Liu won the title of "Jiangsu Top Ten Female Science and Technological Innovators"
22	Changzhou Municipal Committee and Municipal Government	Chairman Jingyu Liu won the title of "Industrial Star Entrepreneur"
23	Xinhua News Agency Group	Chairman Jingyu Liu won the title of "Outstanding Entrepreneur of Jiangsu Social Responsibility in 2022"

ESG Management

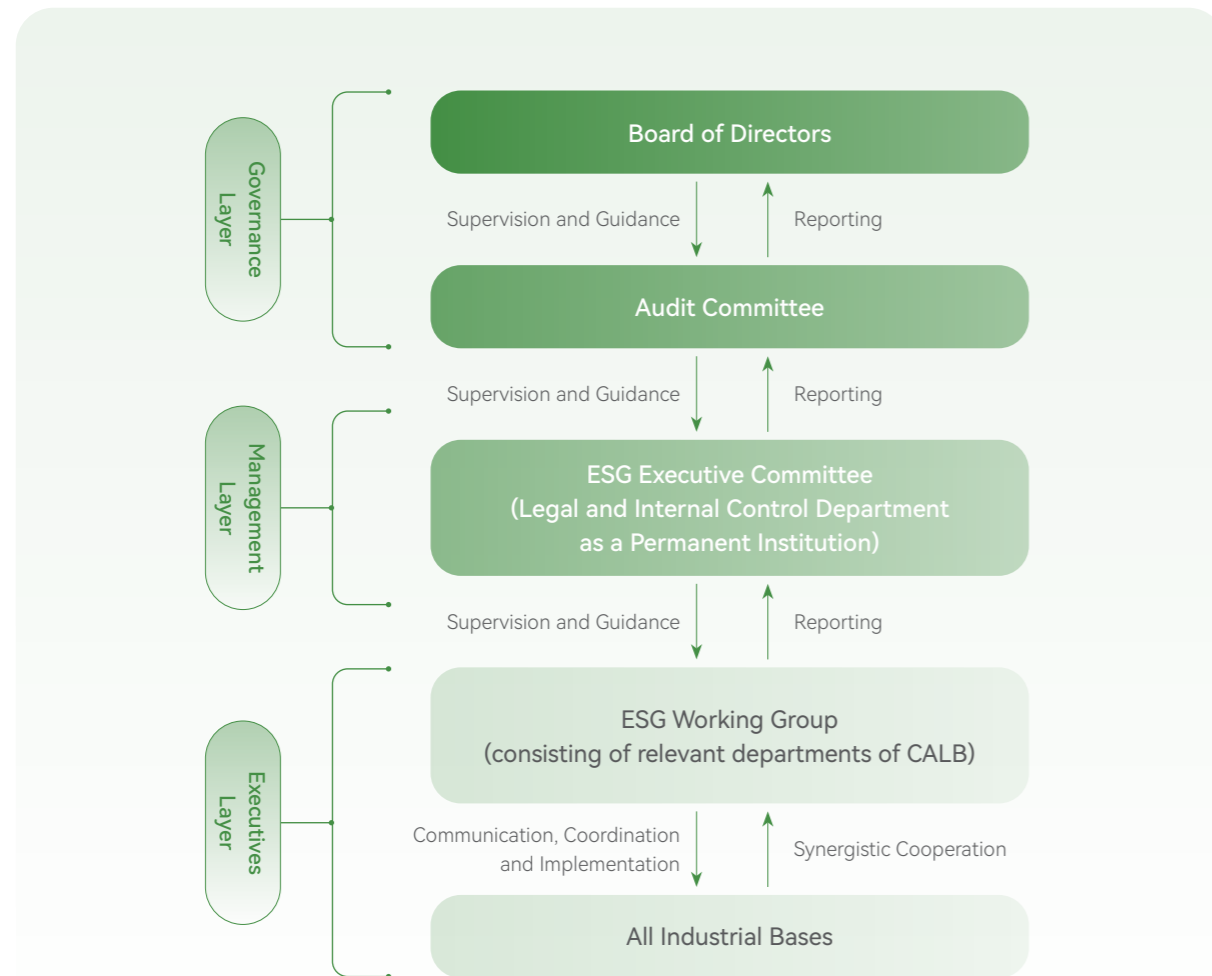
CALB adopts the concept of sustainable development and has formulated the ESG strategic objectives of "green & low-carbon, ecological harmony and empowering the world", and implements them into the daily management and operation of CALB. In order to ensure the effectiveness of ESG management, CALB continuously improves the ESG governance and operational mechanism, maintains good communication with stakeholders, identifies material issues, and responds better to all stakeholders, thus continuously improving its ESG management level.

ESG Strategy



ESG Governance

In 2022, CALB upgraded its existing ESG governance framework, and ESG management was promoted to the governance level. The board of directors is the highest responsible institution for ESG governance. The audit committee of the board is responsible for the overall management and decision-making of the company's ESG matters and reporting to the board of directors, providing a strong organizational guarantee for the continuous promotion of CALB's ESG management.



Governance Level: The Audit Committee is composed of three independent non-executive directors and is responsible for reviewing CALB's ESG-related policies, strategic objectives and ESG reports, supervising ESG objectives, assessing and managing ESG-related risks, and reporting to the board of directors.

Management Level: The senior leadership of CALB is composed of the ESG Executive Committee, and the legal and internal control department as a permanent institution, which organizes, coordinates and promotes various ESG works under the guidance of the Audit Committee.

Execution Level: Each department and industrial base is responsible for specific ESG work, such as ESG-related goal setting and implementation, communication with stakeholders, etc.

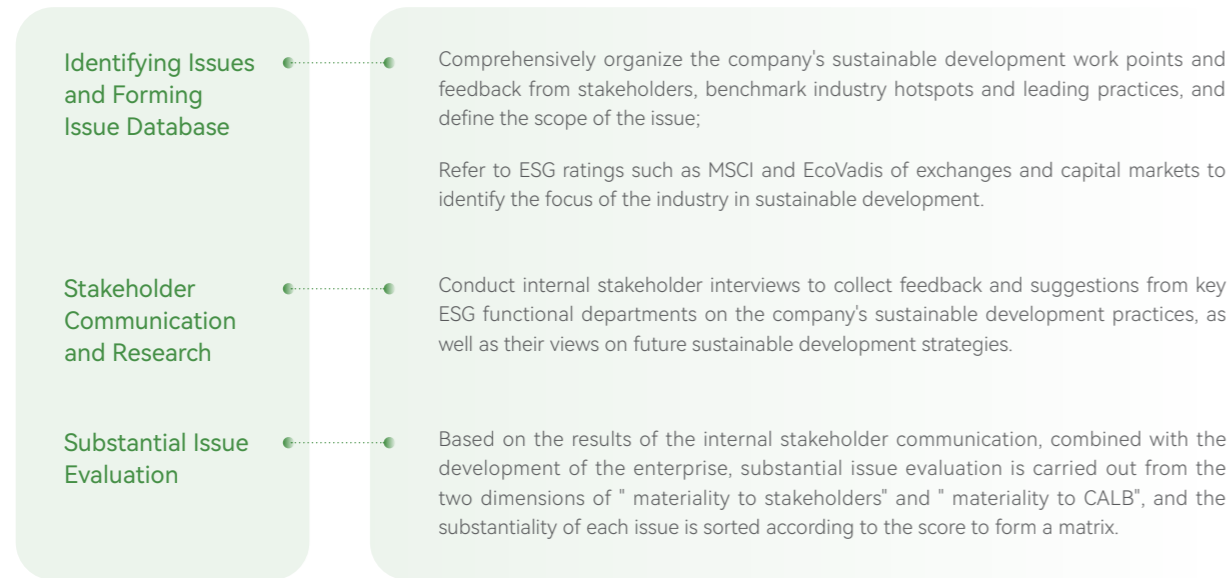
Stakeholder Participation

CALB attaches great importance to communication with stakeholders, sets different communication methods for different stakeholders, takes key functional departments as direct windows, establishes a normal communication and response mechanism, listens and understands the voices and needs of stakeholders better, and responds in time.

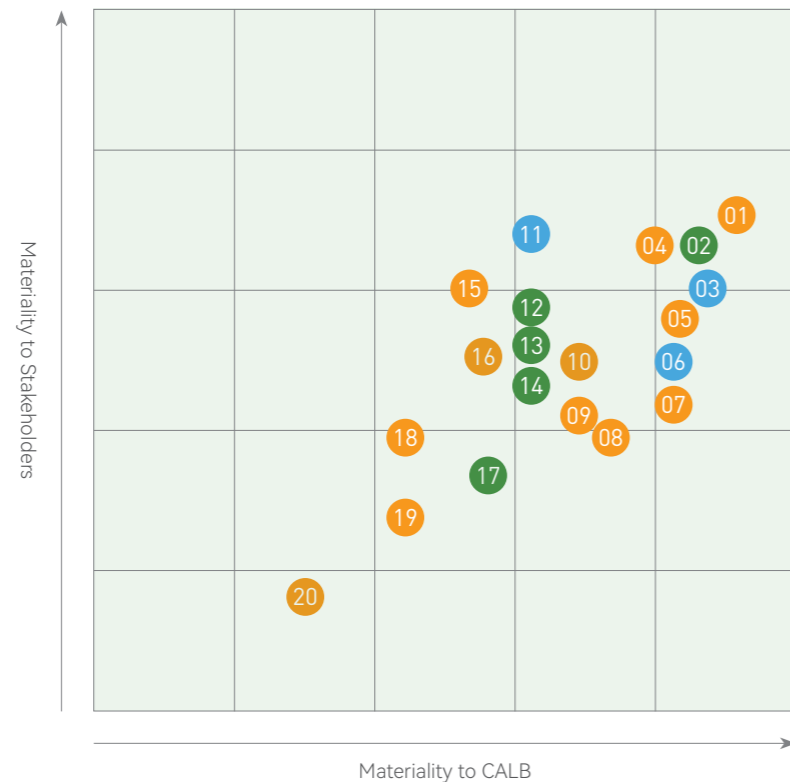
Stakeholder	Needs and Expectations	Communication and Response Channels
Customers	Product quality and safety Relevant party privacy Intellectual property protection Product R&D and innovation Customer satisfaction management Greenhouse gas emissions	Questionnaire survey Exhibition Social media Customer research and audit
Shareholders	Corporate governance Economic performance Information disclosure	Questionnaire survey Shareholders' general meeting Information disclosure Investor relations activities
Employees	Employee care Employee equality and diversity Welfare and security Occupational health and safety Career development and training	Employee questionnaire Employee exchange meeting Internal communication platform
Government	Business ethics Energy consumption and renewable energy	Questionnaire survey Government meetings Supervision and inspection Visits/Research
Suppliers	Supply chain sustainable development	Supplier conference Questionnaire survey Daily evaluation
Community and Public	Community participation Use of recycled materials Water resource management Waste management	Questionnaire survey Public welfare activities Social activities Organizational consolation Environmental protection measures

ESG Material Issues

This year, we further improved the ESG issue library on the basis of 2021, taking into account the national macro-policy orientation, the focus of capital market attention, the relevant standards of sustainable development reporting, and the benchmarking analysis of excellent peers. Through entrusting independent third-party institutions to conduct interviews with senior executives and internal key functional departments, the scoring of the materiality of various ESG issues in 2022 and the views and suggestions of stakeholders on the company's sustainable development were obtained, and finally 20 issues were determined.



Matrix of Material Issues



- 01 Product Quality and Safety
- 02 Greenhouse Gas Emissions
- 03 Economic Performance
- 04 Product Research and Innovation
- 05 Employee Care
- 06 Corporate Governance
- 07 Intellectual Property Protection
- 08 Equality and Diversity of Employees
- 09 Welfare and Security
- 10 Privacy of Stakeholders
- 11 Business Ethics
- 12 Use of Recycled Materials
- 13 Water Resource Management
- 14 Energy Consumption and Renewable Energy
- 15 Customer Satisfaction Management
- 16 Occupational Health and Safety
- 17 Waste Management
- 18 Supply Chain Sustainable Development
- 19 Career Development and Training
- 20 Community Participation

● Environment ● Social ● Governance

Build Up ESG Capacities.

In order to enhance CALB's ESG accountability capabilities, in 2022, an ESG team was established in each newly established industrial base, with the head of the industrial base as the overall responsible person, and members covering the main relevant departments, to organize ESG team capability training, complete ESG on-site internal audit and output audit reports, and continue to follow up on improvement.

In 2022, CALB conducted ESG basic knowledge training and various ESG special topic training through a combination of online and offline methods, with a total of 38,067 numbers of people participated in the trainings. In addition, CALB hired an external professional third-party consulting agency to conduct four carbon inventory training sessions, of which 234 people passed the examination and obtained the certificate.

people participated in the trainings
38,067 numbers

passed the examination and obtained the certificate
234 people

High-Quality Intellectual Property Rights Navigate CALB's Global Development

CALB's Intellectual Property (IP) strategy has always been deeply integrated with the company's "Leading Product&Technology" strategy, making full use of IP to secure the free operation of the company's global business. In terms of the IP management, we adhere to the IP guidelines of "integration of three elements, empowering innovation, deep cultivation, and escort for development". And we also persist in the working mode of "protection of R&D achievements" and "IP risk prevention and control". Taking high-quality patent layout as the core, we adopt a protection strategy for core technology with patents and trademarks as the driving force. And through the technical advantages brought by IP protection, the company improves its core competitiveness, constructs a brand with sustainable innovation, and also provides strong support for the global market development of the company.

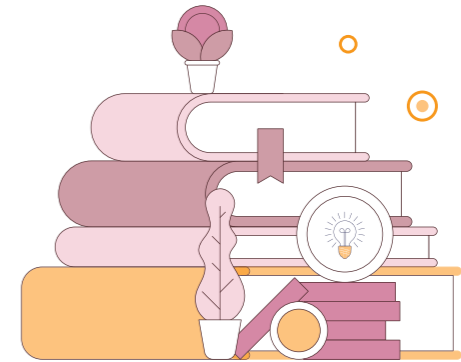
The Intellectual Property Protection System

High-quality R&D Achievements Protection

Based on the CALB's long-term technological accumulation and continuous investment in technological innovation, we have conducted a comprehensive high-quality patent layout for innovative achievements. On the one hand, for leading technologies and products, CALB formulates a protection strategy for leading technologies and products, which starts from several points and gradually expand to cover upstream and downstream design and all kinds of variations in physical products, achieving comprehensive patent coverage for innovative achievements and gradually forming a patent portfolio layout network around the company's leading technology and product advantages. On the other hand, CALB has built a defensive patent layout network based on its technology and the market trend. Through the protection of high-quality research and development achievements, the company enhances its control over product-related technologies, improves its ability to resist intellectual property risks, and ensures a sustained competitive advantage in the market.

Through the above comprehensive, systematic and effective patent mining and layout, as of December 31, 2022, CALB has a total of 2,747 patents, of which 1,704 are authorized patents and 1,043 are pending applications. The patent layout covers various technical fields such as battery materials, battery structure, system integration, electrical circuits, BMS (battery management system), manufacturing process equipment, and battery recycling and regeneration, covering the entire battery industry chain.

At the same time, CALB implements a mechanism with its patents and trademarks as the driving forces. Currently, nearly 30 trademarks have been applied for core technologies and products, fully protecting technological innovation achievements and building an intellectual property protection network centered on core technologies and products.



CALB has patents

2,747



authorized patents

1,704

Efficient Intellectual Property Management System

CALB has established an efficient intellectual property management system and has been certified by the National Standard GB/T 29490-2013 *Enterprise Intellectual Property Management Specification*, realizing the management of intellectual property in a "regulated, process-oriented and electronically-procedured" manner.

CALB utilizes IP-easy intellectual property management platform to fully digitalize and manage the whole life cycle of the company's patents, software copyrights, and know-how, etc., on the Internet. In addition, it also performs graded and classified management following patent application, systematically reviews authorized cases for authorization, and creates an intellectual property resource pool, and forms an intellectual property resource pool.

Furthermore, CALB has set up systems for intellectual property management, review, and reward to regulate the work related to intellectual property management. CALB has established a sound invention and creation reward system to motivate employees to invent and innovate.

Intellectual Property Risk Prevention and Control System

CALB is now in the fast-developing new energy field, and we protect our own intellectual property rights while respecting the intellectual property rights of others while actively maintaining a fair, just and reasonable market environment. We actively carry out the intellectual property risk reduction of products and technologies, and implement intellectual property risk prevention and control throughout the entire production and operation process. Through the perfect product life cycle risk tracking mechanism, we ensure that intellectual property risk warning and control are completed from product conception, design, trial production to mass production. At the same time, the company carries out marketing IP risk warning and recognition, establishes supplier access IP examination mechanism, realizes effective management of employee trade secrets and intellectual property ownership, ensures that intellectual property risks are fully controllable, and provides protection for the company's rapid internationalization development.

All-Staff Intellectual Property Action Plan

CALB's intellectual property work has achieved inter-departmental collaboration around the two main themes of "protection of research and development achievements" and "intellectual property risk prevention and control", jointly protecting innovation and intellectual property rights. In order to enable all employees to participate in the work of intellectual property rights better, the company has established a matrix-type intellectual property training system to cultivate the intellectual property rights development ability and awareness of all employees, targeting different business objects.

On the one hand, CALB has formed an intellectual property team composed of lawyers, patent agents, and highly-educated composite elites with engineering and legal backgrounds by means of multi-dimensional approaches such as course training, experience sharing, and practical practice, which has the experience of intellectual property practice and risk resolution.

On the other hand, CALB carries out IP knowledge popularization, business-related IP ability training and practical training to a variety of objects, such as R&D, procurement, marketing, etc., in order to introduce and popularize the knowledge of intellectual property rights and enhance the intellectual property awareness and business abilities of all employees, thus forming a culture of intellectual property protection. In particular, a CPM (Chief Patent Manager) special training system is established for R&D personnel. After the practical training in the Intellectual Property Department, the R&D personnel return to their positions, and the awareness and ability of intellectual property protection are permeated to the whole R&D team.

High-Quality Intellectual Property Work Wins Industry Recognition

In recent years, CALB's outstanding performance in intellectual property rights work has been widely recognized in the industry:



In the future, the company will adhere to the high-quality development strategy of intellectual property rights, improve the core competitiveness of the company through the technological advantages brought by intellectual property protection, and create a brand power of sustained innovation for the company.

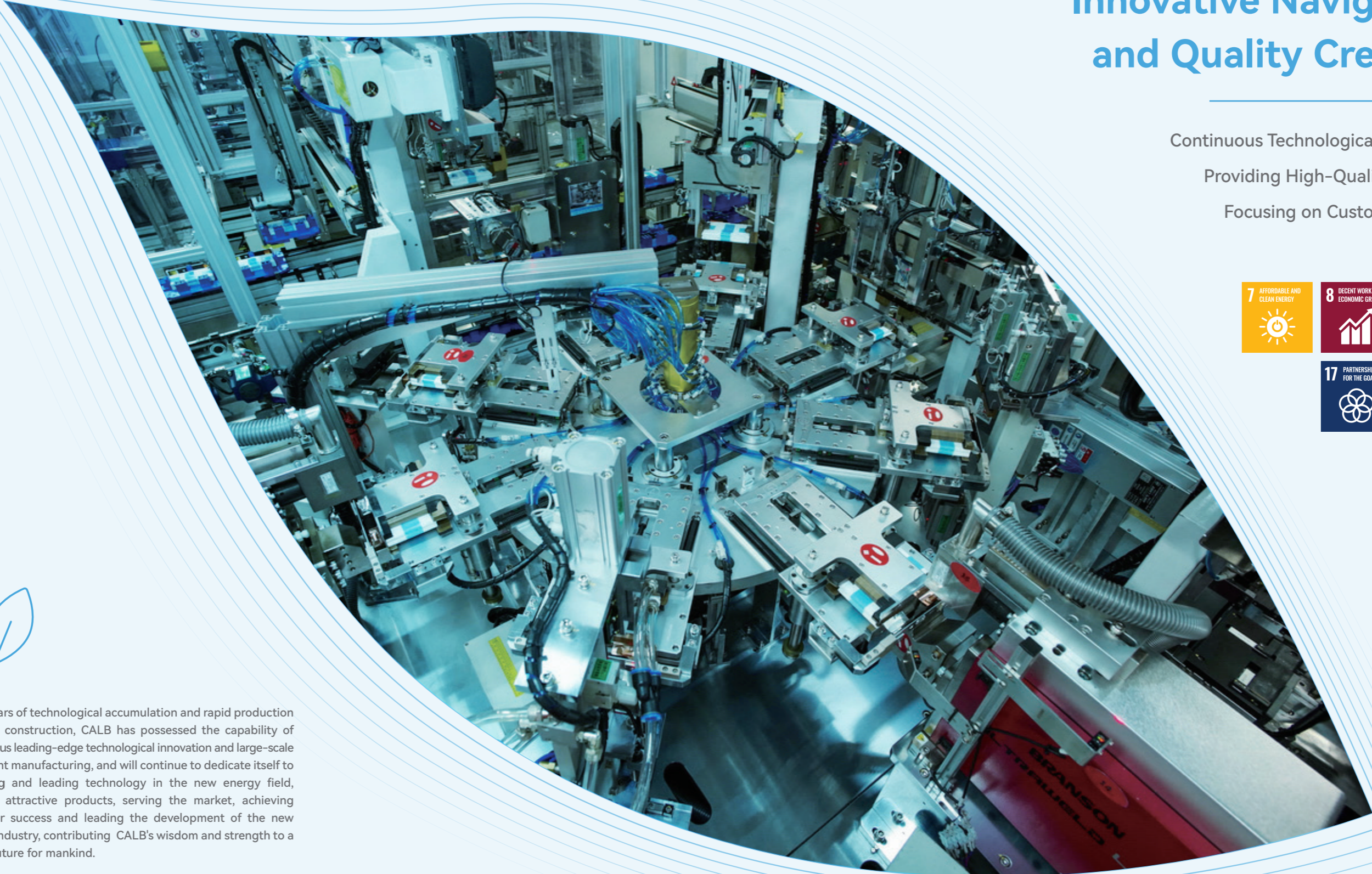


Innovative Navigation and Quality Creation

Continuous Technological Innovation
Providing High-Quality Products
Focusing on Customer Service



After years of technological accumulation and rapid production capacity construction, CALB has possessed the capability of continuous leading-edge technological innovation and large-scale intelligent manufacturing, and will continue to dedicate itself to exploring and leading technology in the new energy field, creating attractive products, serving the market, achieving customer success and leading the development of the new energy industry, contributing CALB's wisdom and strength to a better future for mankind.



Continuous Technological Innovation

Developing Innovative Platforms

CALB has always insisted on independent research and development, driven by innovation, and established ten major scientific and technological innovation platforms, seven major innovation experimental platforms, a national enterprise technology center, and a postdoctoral research station, forming six major innovation technology platforms, namely "advanced materials, advanced batteries, advanced manufacturing, advanced simulation and testing, intelligent manufacturing, battery recycling technology and digitalization". All of those platforms become the company's hard power for creation and the driving force of its leapfrog development. In 2022, CALB's R&D expenses were 664.76 million yuan.

R&D Innovation Team

The company attaches great importance to the construction of the R&D team, and has introduced full-time industry professional and technical personnel and returnees with innovative talents. It has independently cultivated Jiangsu Province Double-Creation Talents, Double-Creation Doctors, Top Talents of Changzhou City and Leading Talents of Changzhou City, forming an expert team led by "Double-Creation Talents" and "Double-Creation Doctors".



Researching and Developing Advanced Technology

Based on its own new energy industry attributes, CALB fully considers the national dual carbon strategy and global energy transformation trend, and look into the future for research and development. At the level of material innovation, we pursue the ultimate balance of energy and resources to achieve efficient use of resources and recycling; at the level of system innovation, we pursue the ultimate balance of energy and safety, and take product safety as the cornerstone to carry out system design integration, battery system all-climate thermal management and product life cycle safety management; at the level of manufacturing innovation, we pursue the high integration of design and manufacturing, and integrate ultra-simplified manufacturing, extreme manufacturing, intelligent manufacturing and green & low-carbon manufacturing. In 2022, CALB achieved a series of globally original, pioneering, industry-leading technologies, represented by CIR2.0 system integration technology, high energy & fast charging gradient electrode design and application technology, battery health prediction and diagnosis technology, battery material recycling and regeneration technology, One-Stop ultra-simplified manufacturing technology and so on.

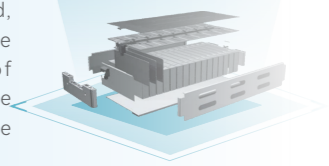
Build technology leading products

As one of the few power battery companies with comprehensive independent R&D capabilities and independent power battery production capabilities, CALB has developed a series of advanced technologies for its proprietary products, including:

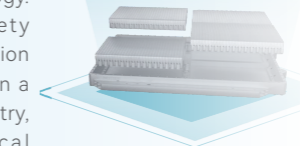
High voltage ternary batteries, featured by high energy density, long lifespan and excellent safety, have become one of the best battery system solutions for passenger vehicles.



The world's fire-resistant technology and product for high energy density battery system was initiated. The ternary package does not catch fire when punctured, iron-lithium battery package passed the limit test of gunshots, which means the safety is much higher than the national standard requires.



The world's first One-Stop battery product, focusing on the fundamental function of the battery, oriented at targets of high integration, extreme simplification, light weight, high safety and high reliability, defines a new product nature and realizes the high integration of design and manufacturing technology. The energy density, safety performance, volume utilization and other indicators are all in a pioneering role in the industry, leading the technological innovation of TWh-era battery.



Having achieved more than 25% reduction in internal resistance proportion of the structural components, the world's first fully tab stacked battery with full tab cooling to make the cell thermal field of the battery uniform, significantly improving large-rate charging and discharging performance, has been fully matched with customer products and delivered in batches.



Production, Education and Research Activities

In recent years, in order to keep up with the development trend of integration of production, education and research, CALB has actively cooperated with higher education institutions in various ways, giving full play to their respective advantages and providing broad development platforms for outstanding talents to show their innovative and creative capabilities, and continuously cultivating new forces for the rapid development of the new energy industry.

CASE

On August 13-14, 2022, the Fifth Training Program on Electrical System and Unmanned System Security Personnel of the FSC series sponsored by China Society of Automotive Engineers (China-SAE) and supported by CALB was successfully held at CALB Research Institute, with more than 130 "future stars" from 55 colleges and universities nationwide, including Tsinghua University, Shanghai Jiao Tong University and Harbin Institute of Technology. On September 21, 2022, the 2022 Student Formula Combustion China (FSC) supported by CALB was held at Anhui Jianghuai Automobile Test Field, with more than 100 teams and more than 2,600 online and offline students participating.

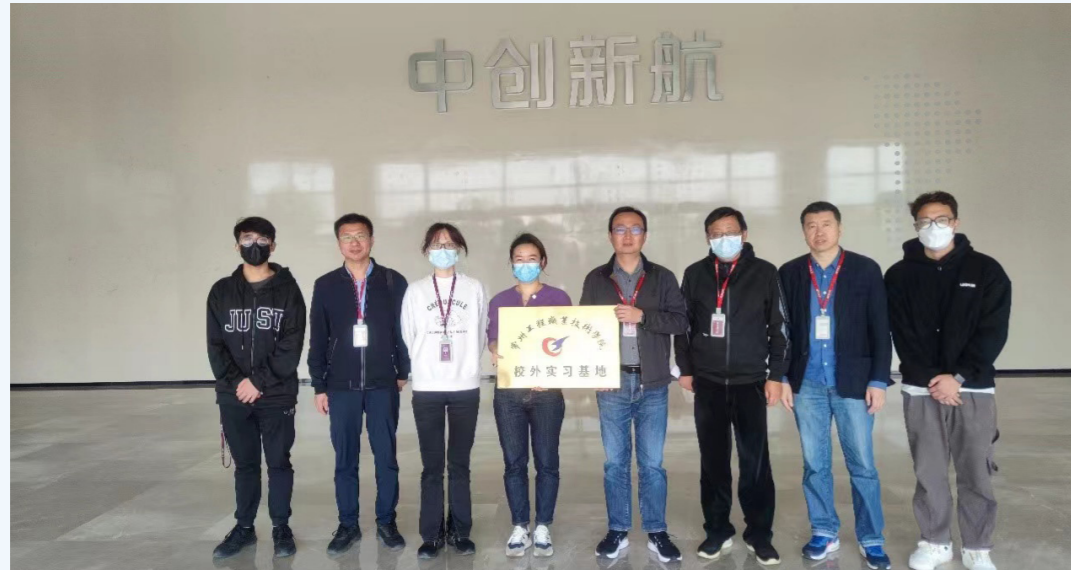


CASE

In June 2022, CALB reached an agreement with Tsinghua University on the *development of key technologies for power battery safety management*. The joint development project includes six topics and more than 10 doctoral and master's students from Tsinghua University are involved in the project development.

CASE

On November 2, 2022, CALB had further discussions with Changzhou Engineering Vocational and Technical College on the establishment of enterprise working stations, apprenticeship cooperation and production-education-research, and jointly unveiled the "Changzhou Engineering Professional and Technical College Off-campus Internship Base".



Industry Participation

CALB, with its profound technical accumulation and the responsibility of a "pacesetter", is willing to share its innovative achievements and industry experience with the industry. Through joining industry associations, participating in industry activities, and cooperating with the industry, CALB actively participates in industry exchanges, takes the industry development as its duty, and helps the development of the new energy industry.

CALB actively and proactively joins industry associations, keeps abreast of industry dynamics and developing trends, and supports industry associations to launch industry initiatives or conventions in economic, environmental and social spheres. By 2022, CALB has led and participated in 135 revisions of national, industry, group and local standards.

The corporate standard Q/CALB 0203006-2021 *General Technical Requirements for D300 Series Power Battery System* has won the 2021/2022 "Enterprise Standard Pacesetter" honorary title issued by China Automotive Engineering Research Institute Co., Ltd.

No.	Name of External Agency	Join in the Year of	Member Level
1	Jiangsu Province Energy Storage Materials and Components Industry Technology Innovation Strategic Alliance	2018	Vice
2	Society of Automotive Engineers of Jiang Su	2018	Member
3	Electric Vehicle Industry Technology Innovation Strategic Alliance of China Society of Automotive Engineers	2019	President
4	Jiangsu Province Power and Energy Storage Battery Industry Innovation Alliance	2019	President
5	China Chemical and Physical Power Sources Industry Association Power Battery Application Sub-Association and Expert Committee	2020	Vice President
6	Xiamen City New Energy Battery Comprehensive Recycling and Utilization Industry Association	2020	Vice Chairman
7	China Society of Automotive Engineers	2020	Member
8	China Automotive Research and Technology Center Standardization Institute (Member of Power Battery Standard Research Working Group for Electric Vehicles)	2020	Member
9	Chengdu City Green Intelligent Network Automobile Industry Ecology Alliance	2021	Member Organization
10	Xiamen City New Materials Industry Association	2021	Vice Chairman
11	China Chemical and Physical Power Sources Industry Association Energy Storage Sub-Association	2021	Member
12	China Battery Industry Association	2021	Member
13	China Electricity Council	2021	Member
14	Jiangsu Province Energy Storage Industry Association	2022	Vice President
15	China Association of Automobile Manufactures	2022	Member
16	China Society of Automotive Engineers and Automobile Industry Digitalization and Intelligent Manufacturing Working Committee	2022	Member
17	China Auto Data (2022 "New Energy Vehicle Power Battery Management Policy and Common Technology Research" Working Group)	2022	Member
18	China CNC Energy Storage Industry Technology Alliance	2022	Member
19	China Energy Conservation Association Carbon Neutralization Professional Committee	2022	Member
20	China New Energy Storage Industry Innovation Alliance	2022	Member
21	National Lithium Battery Intelligent Manufacturing Equipment Standardization Working Group	2022	Member
22	China Non-Metallic Minerals Industry Association	2022	Member
23	China Electric Heavy Truck Charging Industry Promotion Alliance	2022	Member
24	China Non-Metallic Minerals Industry Association	2022	Member
25	China Electrical Engineering Society	2022	Member

CASE

On August 26-28, 2022, the World New Energy Vehicle Conference (WNEVC 2022) was held in Beijing and Hainan both online and offline. Focusing on the comprehensive electrification and global cooperation under the vision of carbon neutrality, the conference aims to accelerate the integration and development of the automotive, energy, transportation, information communication and other fields, break through the market barriers of new energy vehicles, and contribute to the low-carbon development of the global automobile industry. Ms. Jingyu Liu, Chairman of CALB, was invited to give a wonderful speech titled *The Sustainable Path of Power Batteries*, deeply analyzing the core concept and action plan of CALB's innovative development, and calling for all ecological partners to cooperate hand in hand to achieve sustainable development of the new energy industry, and create a better shared future for mankind.



CASE

On September 21, 2022, the Jiangsu Province Power and Energy Storage Battery Standardization Technology Committee Establishment Conference, co-hosted by CALB, was held in Nanjing. Mr. Xiaoqiang Wang, Vice President of CALB, attended the meeting and expressed the faith of CALB members that they will adhere to the "open, share and altruistic" culture, infuse the new impetus of "leapfrog development" and build the faith of the new platform to develop with a "leading standard".

Providing High-Quality Products

CALB firmly upholds the quality principle of "zero defect to create value and win respect", firmly establishing the concept of product life cycle quality management, and is committed to providing customers with high-quality and reliable products.



Quality Guarantee Highlights

- By the end of 2022, our market have more than 730,000 vehicles, with a single vehicle having a maximum mileage of more than 500,000 kilometers, without any major complaints about product quality, nor any major appeals or investigations related to product quality, and no product recalls or fatal accidents caused by product quality defects.



- CALB successfully obtained the "Seven-star After-sales Service Certificate" and became the enterprise with the highest level of after-sales service certificate in the industry.



- CALB won three 6Sigma awards from the China Quality Association.



- CALB won the Excellent Case of Manufacturing Industry Reliability Enhancement from the Ministry of Industry and Information Technology of China.

Product Quality Guarantee System

Satisfying Customer demand is the goal, and getting customer satisfaction is the end. CALB have established an all-round quality management system, covering the whole process from design to after-sales, formulated system documents such as *Quality Manual and Target Performance Management Procedure*, adopted scientific quality management models, and ensured quality control throughout the product life cycle. As CALB decomposed the "zero defect" quality target into hierarchical levels by taking quality guarantee as the objective, advanced technology as the foundation, data analysis as the foundation, and information systems as the support, we have driven the efficient operation of the product management process.

As the vanguard of the new energy industry, it is difficult to effectively solve the difficulties we face in rapid development by simply introducing and applying foreign quality management models. Based on the characteristics of the industry, CALB is committed to pursuing quality management innovation. In order to reassure our customers, the company has established a unique product quality management system to realize the safety inspection, monitoring and warning of the whole process from the design of new products to mass production and user use. In addition to promoting the technological upgrade and quality control first, we also fully considered the high safety and reliability of our products when they are used in the aftermarket. We are working together with customers, intelligent networked companies, institutes, and other innovative forces to build a big data platform system for the whole life cycle management of battery, considering traceability, monitoring, evaluation and prediction, operation and maintenance. The platform has been put into use and a total number of more than 250,000 vehicles have been connected. The application of big data platform monitoring and core algorithms is developed simultaneously to accurately predict and manage the market product status, and gradually realize automatic and quick service.



CASE

Product Safety Performance Goal Management

In order to ensure the product safety indicators are controlled and achieved, from the early concept design of products to mass production, the quality management of product R&D is managed through project audits and project supports, so as to avoid design risks in advance. During the production process, based on the 5M1E method, according to the defect failure mechanism and the causes of generation, the quality management in the manufacturing process is systematically planned. Through the special improvement mechanism with retrospective mechanism as the core, targeted avoidance measures are provided for process defects, thus achieving the dual prevention (prevention of defects generation, prevention of outflow) of production. At the same time, the product safety daily report mechanism is introduced to collect the product safety indicators of each process, digitally supervise the production status, meet the management requirements of "solving problems as soon as they occur", strictly control the production process, and ensure that the product quality meets the regulations and customer requirements. Up to now, CALB has continuously achieved the goal of "zero occurrence" of product safety problems for shipped product.

External System Certification Situation

CALB strictly abides by the laws and regulations of *The Product Quality Law of the People's Republic of China*, and completes the annual external system certification according to the requirements of *The Quality Management Manual*.

Quality Management System	Certification Base
<p>01</p> <p>ISO9001:2015</p>	<ul style="list-style-type: none"> CALB Group Co., Ltd. CALB (Xiamen) Co., Ltd. CALB (Chengdu) Co., Ltd.
<p>02</p> <p>IATF16949:2016</p>	<ul style="list-style-type: none"> CALB Group Co., Ltd. CALB (Xiamen) Co., Ltd. CALB (Wuhan) Co., Ltd., CALB (Hefei) Co., Ltd., and CALB (Chengdu) Co., Ltd. plan to implement certification in 2023
<p>03</p> <p>QC080000</p>	<ul style="list-style-type: none"> CALB (Chengdu) Co., Ltd. has established the QC080000 system and is expected to obtain certification in 2023. CALB Group Co., Ltd. plans to implement certification in 2023.

Product Quality Testing

CALB has obtained the Chinese compulsory certification reports including GB 38031, GB 38032, GB/T 31484, GB/T 31486 in the automotive field. In the energy storage field, it has obtained the energy storage type inspection report of China Electric Power Research Institute, as well as other fields of TUV certification, mining certification and classification society certification, UN38.3 certification of the United Nations, IEC62619, IEC62620, IEC62660 certification of the European Union; Battery Directive, ECE R100 certification, REACH certification and ROHS certification, UL1642, UL1973, UL2580, UL9540A certification of North America, and BIS, AIS certification of India.

In 2022, CALB completed 27 customer spot checks and 33 PPAP (Production Part Approval Process) reviews, and the reviews were all passed.

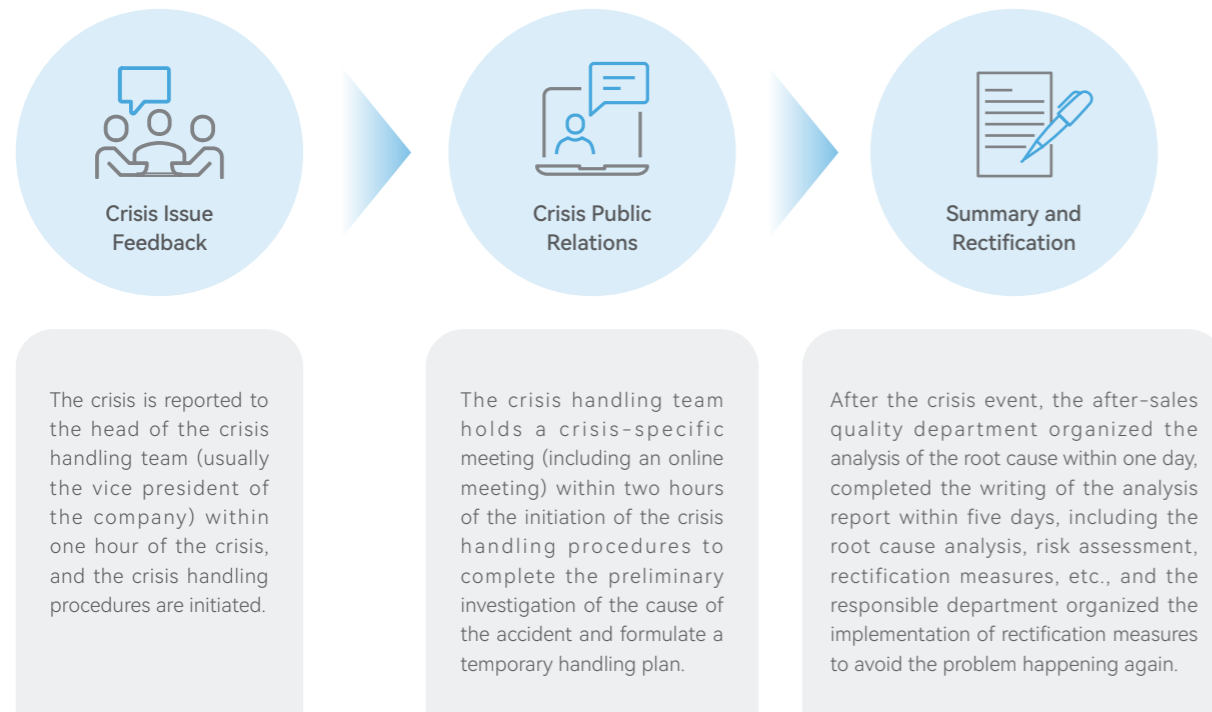
Raising Quality Culture Awareness

In order to meet the needs of culture and talent strategy development, and raise employees' quality culture awareness, CALB refers to the quality responsibilities and quality requirements of various businesses, and organizes forms of training, such as quality awareness training for new employees, training by external lecturers, sharing cases by internal experts, setting quality professional examinations, etc., to continuously strengthen employees' quality awareness. A total of 47 quality special training sessions were organized in 2022, with a total of 5,923 trainees, and an average satisfaction of 99.84%.



Product Recall Management

In response to product recall and quality and safety issues, CALB has formulated relevant procedures and documents, and has prepared different response processes for different projects. In case of any accidents related to product quality and safety, procedures for handling major crises in the company are followed.



Focusing on Customer Service

CALB adheres to the customer-oriented principle to establish a perfect customer service system, and also pays attention to the protection of customer privacy, optimizes the customer complaint mechanism, and therefore continuously improves customer satisfaction.

Customer Privacy Protection

CALB attaches great importance to the protection of customer privacy. So it has established a customer information security confidentiality mechanism, and signed a confidentiality agreement with each employee to implement confidentiality duties; at the same time, the company has built a product life cycle management system, customer information system, etc. to store customer-related information, strictly set permission management, and set up special personnel to manage customer files, preventing customer information from being leaked and divulged. In 2022, no customer privacy leakage events occurred.

CASE

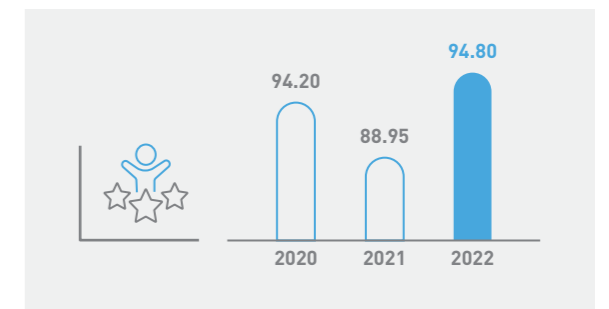
To avoid customer information leakage, we will assign customer codes to customers, and when communicating internally or externally, use customer codes to transmit information.

Customer Satisfaction Improvement

Through in-depth analysis of customer value propositions, CALB has a deeper understanding of customer needs and pain points as a breaking point, quickly anchoring product competitive advantages, improving enterprise competitiveness, and better meeting customer needs.

For key customers, at different stages of contact with customers, making in-depth analysis of customer value propositions, forming and outputting the *Customer Value Proposition Analysis Table*, and drawing the *Customer Value Proposition Sensitivity and Comparison Chart* will be done. And the output problem list will also be transmitted to the internal for targeted improvement. To timely grasp the focus of customers, the customer value proposition analysis is updated quarterly.

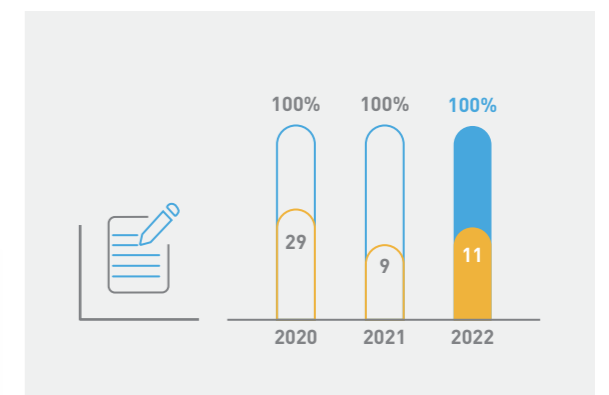
Customer Satisfaction (Unit: %)



Customer Complaint Handling

CALB has established a customer complaint feedback mechanism, through which customers can feedback their problems via the company's official website, email, letters, and 400 phone call, and so on. The company has formulated systems such as *Customer Service Management Procedure* and *Customer Complaint Handling Management Procedure* to objectively analyze and effectively rectify customer complaints, and improve the closed-loop management process of customer complaints. In 2022, 11 customer complaints were received and 100% of the customer complaints were solved.

Complaint Data (Number of Cases) Complaint Resolution Rate (Unit: %)




 the customer complaints were solved
100%

Low-Carbon Environmental Protection and Green Development

Green & Low-carbon Management
Responding to Climate Change
Clean and Green Production
Promoting Green Office



CALB has always held the belief that "lucid waters and lush mountains are invaluable assets," so the company has taken the initiative to assume environmental responsibilities in order to encourage green development. CALB develops its emission-reduction system, establishes emission-reduction targets, and actively responds to the dangers and opportunities offered by climate change in order to contribute to China's "dual carbon" goals and global sustainable development goals.

Green & Low-carbon Management

CALB taking "Greener Battery" as its slogan, continuously guides the low-carbon industrial layout and green business operation, and practices the concept of sustainable development with its actions. We strive to build our own long-term energy saving and emission reduction mechanism, and at the same time actively promote the carbon reduction actions in the whole value chain, creating a brand image of green and sustainable development, providing support for the realization of the "dual carbon" goal.

CALB's senior executives has conducted special topic discussions and work arrangements on the dual carbon work to lay the foundation for the rapid advancement of the dual carbon work:

- Formulate strategic guidelines for carbon neutrality and low-carbon transformation
- Establish a dedicated carbon management department to regularly analyze carbon emissions and emission reduction opportunities, and accelerate the progress of dual carbon work
- Incorporate the goal of continuous carbon reduction into the daily management assessment
- Allocate more resources to the carbon management business sector to support comprehensive carbon accounting and accelerate the formulation of carbon reduction and carbon neutrality goals
- The senior executives of CALB hold regular discussions with the dedicated carbon management department and continue to supervise the carbon reduction work.

Carbon Reduction Target

Continuously setting "green & low-carbon" as its ESG strategic objectives, CALB has established product carbon targets and supply chain emission reduction targets, guided the low-carbon industrial layout and green business operations, and actively promoted collaborative carbon reduction actions across the entire supply chain.

Target Type	Target Description
Product Carbon Target	Set reduction targets, with 2020 as the base year, and the carbon emission per unit product will be reduced by 34% before 2025
Supplier Emission Reduction Target	Raw material suppliers will achieve 100% green power application by 2025

Value Chain Carbon Management

In accordance with the Life Cycle Assessment (LCA) approach, CALB has conducted analyses and quantitative calculations of energy consumption and material consumption of various processes in the production, identified opportunities for emission reduction across the life cycle, and identified effective measures to improve production technology, adjust energy structure and reduce environmental impacts, to achieve emission reduction goals. By 2022, CALB has already implemented quarterly carbon accounting works in production, manufacturing, equipment, services, logistics, and administration. To empower the company's carbon reduction efforts across the value chain, CALB has actively implemented the digitalization of carbon emission information, conducted whole life cycle carbon footprint accounting on a product basis, and committed to meeting the carbon emission reduction needs of customers.

Value Chain Low-Carbon Development Path



CASE

CALB Helps Smart Achieve the EU Carbon Footprint Certificate First

CALB developed the conversion standard and statistical logic that meet the standard requirements for the accounting and reporting of greenhouse gases, and compiled the greenhouse gas report accordingly. Meanwhile, based on the European PEFCR method, Gabi software was used to develop a model that analyzed and calculated the life cycle carbon emission of the product, and the key points of carbon footprint reduction of the product were identified. By calculating the carbon footprint of the product and reducing carbon emission, the company's product Smart Elf #1 power battery was the first to pass the TÜV Rheinland certification, and obtained the carbon footprint certificate based on European PEFCR and ISO14067, setting a benchmark for carbon reduction action in the new energy vehicle and power battery industry.

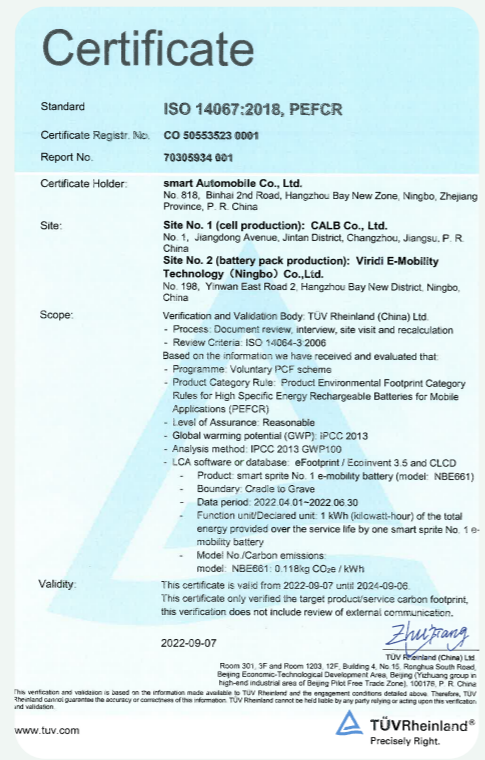


Figure Smart Elf #1 Power Battery Carbon Footprint Certificate

Greenhouse Gas Emissions Category	Unit	2022
Category One	Tonnes of CO2 Equivalents	134,957.01
Category Two	Tonnes of CO2 Equivalents	450,953.34
Greenhouse Gas Emission Intensity	Kilograms of CO2 Equivalents/Kilowatt Hour	28.43

Responding to Climate Change

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) and the Climate Information Disclosure Guidelines of the HKEX, CALB actively identifies and responds to the transition and physical risks posed by climate change, formulates special measures to respond to climate risks, and discloses its four aspects, which are: governance, strategies, risk management, and metrics and targets.

Climate Governance

CALB has established a process and mechanism for climate-related risk management from the board of directors to the executive level, ensuring that climate-related risks and opportunities are fully incorporated into the company's strategic decision-making and risk management considerations.

The Board of Directors is responsible for the highest level of supervision of the company's response to climate change. The Audit Committee is responsible for regularly managing, supervising, and guiding the company's climate strategy and climate change-related work, and assessing the potential impacts, risks and opportunities of climate change on the company's business.

The ESG Executive Committee was set up under the Board of Directors. The ESG Executive Committee is required to regularly identify and assess the impacts of climate risk and opportunities, help the company establish a climate risk and opportunity management system, and actively assist the company in promoting and implementing its climate strategy and dual carbon targets.

CALB has also set up a dedicated Carbon Management Department internally to track and interpret domestic and international low-carbon regulations and policies, promote energy conservation and emission reduction actions by CALB and its suppliers, and continuously reduce the carbon footprint of the company's products throughout their life cycle.

Climate Strategy

CALB has identified and assessed climate change-related risks and opportunities, and based on this, combined with the characteristics and actual needs of production and operation, formulated special response measures and strategies for climate risks and opportunities so as to build up the company's climate risk resilience in an all-round way.



Risk Type	Specific Risk	Risk Description	Risk Response
Transformation Risk	Policy and Legal Risk	<ul style="list-style-type: none"> With the introduction of China's dual carbon targets and the opening of the national carbon emissions trading market, the risk of having to pay additional costs due to insufficient carbon quotas may take place if CALB will be incorporated into the carbon trading system as the carbon trading and carbon finance system continues to develop. Relevant dual carbon policies may restrict the carbon emission and energy consumption indicators of regions and enterprises. CALB has industrial bases in many provinces across the country, and energy consumption control measures such as power restriction may occur in the parks, resulting in a decrease in production capacity. 	<ul style="list-style-type: none"> CALB has set up a policy research department, maintains regular communication and exchanges with government departments, and actively carries out research and analysis of national policies, future trends, providing active guidance, publicity and implementation for the company's dual carbon strategy. CALB will fully integrate with China's carbon trading and energy saving emission reduction management requirements, strengthen communication with the relevant regulatory authorities, and timely adjust its dual carbon strategy and actions. To respond actively to the call of the national dual carbon targets, the company has set renewable energy application targets for existing and newly built industrial bases, and actively introduces renewable energy, driving the transformation of its own energy structure.
	Technological Risk	<ul style="list-style-type: none"> CALB focuses on the new energy vehicle industry chain, and the iteration cycle of new energy vehicle technology is relatively short. If the upstream power battery enterprises fail to respond to the iteration needs of new energy vehicle technology in time, it may lead to a decline in product competitiveness, and thus financial performance risks. 	<ul style="list-style-type: none"> CALB is committed to continuous technological innovation and maintaining leadership in advanced chemical energy storage materials, intelligent manufacturing technologies, high-performance battery and system technologies, new-type batteries, and battery lifecycle management to ensure the competitive advantage of its products in application areas. CALB will accelerate the implementation of the "dual-drive of power and energy storage" strategy in the future, based on its existing power battery business, seize the opportunities of energy storage market development under the dual-carbon background, and open up new tracks.
	Market Risk	<ul style="list-style-type: none"> With the background of the national "dual carbon" targets and the increasing carbon reduction demand throughout the new energy vehicle industry chain, CALB needs to identify the shift in customer preferences and reduce the carbon footprint of the product to maintain its competitiveness, otherwise it may lead to a decline in revenue and market share. 	<ul style="list-style-type: none"> CALB is vigorously promoting carbon management, leading green and sustainable development with "carbon neutrality". Based on the EU PEFCR method and modeling with the Gabi software, the product life cycle carbon emission analysis and accounting work are made to identify the key points of carbon footprint reduction to drive the collaborative reduction of the whole supply chain and meet the carbon reduction needs of the entire industry chain.
	Reputational Risk	<ul style="list-style-type: none"> With the rapid expansion of the new energy vehicle market, the demand for power batteries continues to increase. The company needs to maintain a good production plan to ensure the delivery capability and quality of orders. 	<ul style="list-style-type: none"> CALB is vigorously promoting the construction of base projects, creating a green intelligent benchmark factory with leading technology and intelligent manufacturing capabilities to achieve accelerated release of quality capacity.

Risk Type	Specific Risk	Risk Description	Risk Response
Physical Risk	Acute Risk	<ul style="list-style-type: none"> Extreme weather conditions such as typhoons, extreme precipitation, floods, etc. may cause the factory production to be interrupted; if the pollution control equipment is damaged, it will weaken the factory's treatment capacity for three wastes (waste gas, waste water and solid waste) , threatening the safety of the surrounding environment. The occurrence of drought may cause the clean energy power supply in the region to be tight, increasing the probability of production interruption. 	<ul style="list-style-type: none"> CALB has formulated documents such as the <i>Emergency Preparation and Response Control Management Procedures</i> and the <i>Emergency Management Regulations</i>, compiled relevant emergency rescue plans for responding to extreme climate change such as flood prevention, lightning protection, cold protection, typhoon and high temperature heatstroke, to ensure continuous operation of the company's business under extreme conditions. CALB is actively exploring the application of roof photovoltaic and geothermal pumps, and applying roof photovoltaics to the existing and new bases to reduce dependence on external power.
	Chronic Risk	<ul style="list-style-type: none"> Global warming and water resource shortages may cause damage to existing production and operation facilities, resulting in an increase in the cost of maintenance and repair of facilities at various industrial bases and a decrease in factory production efficiency. 	<ul style="list-style-type: none"> CALB is actively researching various leading production technologies, fully introducing big data applications, cloud computing, and machine sensing, to continuously empower the improvement of production efficiency.

Climate Risk Management

The Board of Directors of CALB is responsible for evaluating and managing environmental and climate-related opportunities from the perspectives of energy performance, carbon emission requirements and brand value, guiding and reviewing the company's overall response to climate change.

Combined with the results of the risk assessment, CALB integrates climate risks into the overall risk management system. In daily operations, it mobilizes its multiple departments such as the Environmental Safety Department, Policy Department and Manufacturing and Operation Center to carry out comprehensive and systematic management based on the company's climate risk response strategy.

Metrics and Targets

Detailed information on the company's main metrics related to climate change can be found in the "Green & Low-carbon Management" section.

Clean and Green Production

CALB adheres to the EHS policy of "zero accidents, zero pollution, respecting life and joint development" to practice clean and green production, optimize water resource management, promote energy saving and consumption reduction, research and develop innovative recycling technology, and strive to create a zero-carbon benchmark factory in the industry. The company has established and operated an environmental management system following the requirements of GB/T24001, identified environmental management risks and controlled them, continuously improved our environmental management performance, and passed the ISO 14001:2015 management system certification for many times.

Three-wastes (gas, water and solid waste) and Noise Management

CALB has formulated the company's *Regulations on Three-waste and Noise Management* in accordance with the relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the ISO14001 system requirements. At the same time, CALB hires external third-party professional testing agencies to monitor the three-waste and noise emission of the company every month and upload the monitoring data to the government platform to achieve the aggregation and sharing of regional environmental data.

Waste Gas Management

CALB has set up waste gas treatment facilities that meet the standard requirements in all processes that generate waste gas in the production. All waste gas is discharged in accordance with the requirements. The operation and maintenance engineer inspects the environmental protection equipment and facilities every day and the environmental protection engineer regularly inspects the operation of the environmental protection facilities to ensure no problems.



Wastewater Management

The wastewater treatment facilities treat the company's production and domestic wastewater to meet the standards before discharge.

Solid Waste Management

The company prioritizes third-party organizations with professional qualifications and recycling capabilities for the disposal of solid waste. The waste is collected based on its type, and the third-party organizations' disposal processes are monitored to continuously increase the proportion of fixed waste recycling.

Indicator	Jiangsu Base	Xiamen Base
Total amount of solid waste discharge	37,024.15	11,510.25
Total amount of solid waste recycling	25,986.70	8,630.50

Hazardous Waste Management

The company entrusts third-party professional organizations with compliance qualifications to handle hazardous waste and ensures 100% compliance with hazardous waste disposal. In accordance with regulations, the entire lifecycle of hazardous waste, including declaration of waste generation, storage, transfer, receipt of disposal units, is conducted online and tracked process, achieving digital and information-based management of hazardous waste.

Indicator	Jiangsu Base	Xiamen Base
Total Hazardous Waste Emissions	7,626.50	1,869.88
Total Hazardous Waste Treatment	7,626.50	1,869.88
Hazardous Waste Disposal Rate	100%	100%

Noise Management

CALB's production and auxiliary equipment all use low-noise equipment and install vibration-reduction foundations. General production equipment is installed in separate workshops in the factory, and soundproof doors and windows are installed in the factory. When interior decoration is carried out, sound absorption and soundproofing materials are adopted. At the same time, equipment maintenance is strengthened to avoid abnormal noise.

Water Resource Management

The company is committed to reducing water waste and implementing feasible measures to reduce water consumption. During the reporting period, the company conducted a water balance test to understand the current water usage, explore water-saving potential, and effectively reduce unnecessary water loss through setting water-saving targets, implementing water-saving systems, renovating water-saving equipment, and adopting water resource recycling technology, thereby improving water resource utilization efficiency.

CASE

CALB carries out the recycling utilization of production wastewater. The treated production wastewater is reused in the cleaning workshop. The process of production wastewater treatment is as follows: industrial sewage-collecting tank-regulating tank-flocculation tank-precipitation tank-A2O tank-MBR membrane group-RO membrane group (effluent enters the reuse water tank)-concentrated water collection tank-evaporator-reuse water tank-reuse to the cleaning workshop.



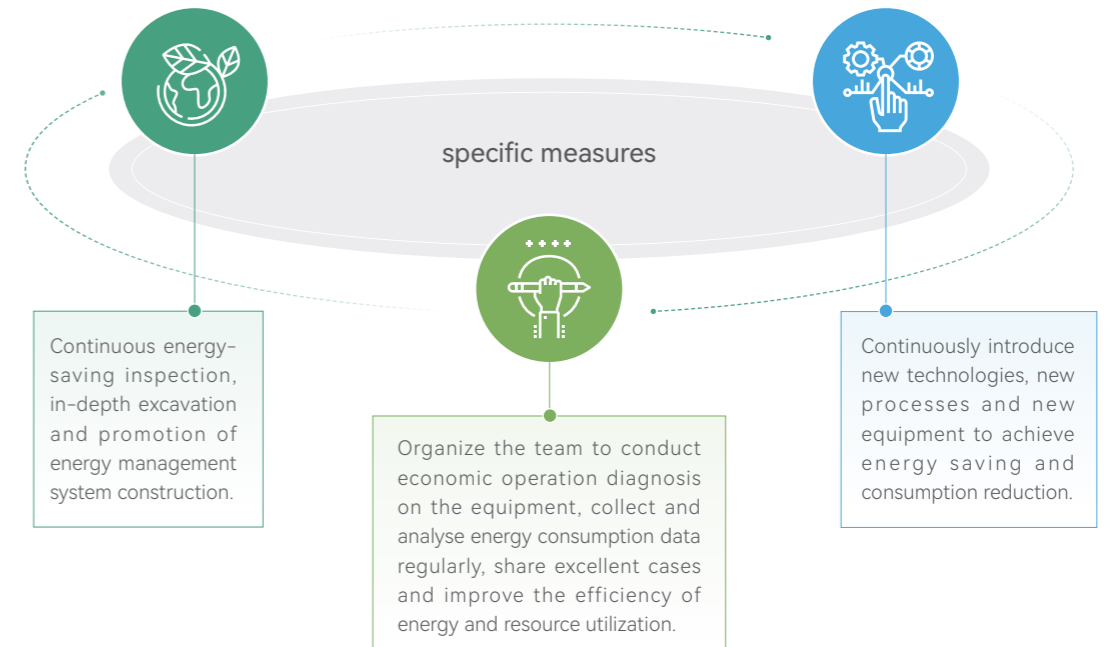
	Base	Jiangsu Base	Xiamen Base
Indicator			
Total water consumption		1,124,828	955,991

Energy Saving and Consumption Reduction

Energy Saving Transformation

The company has obtained the GB/T23331-2020/ISO50001:2018 management system certification and the "Green Factory" title, and has continuously integrated energy conservation and emission reduction into production and daily life, to build a sustainable and green enterprise.

In accordance with the requirements of the battery industry's environmental and energy management systems, the company further refined internal energy conservation and emission reduction policies during the reporting period, increased efforts in the construction and procurement of renewable energy projects, increased the proportion of renewable energy usage, vigorously promoted energy-saving technological upgrades, and continued to reduce energy intensity and improve energy utilization efficiency. Examples include:



CASE

Energy Saving Transformation of Drying Furnace

CALB developed the drying process to shorten the drying process time.

Emission Reduction Benefits: It can reduce the comprehensive energy consumption by about 200 tons of standard coal equivalent per year.



CASE

Energy Saving Transformation of Constant Capacity Process

CALB established a fitting model through big data capacity to shorten the total time of constant capacity without changing the power of the equipment, and the predicted capacity process route saves the electricity consumption of charging and discharging than the original one, and the electricity consumption of constant capacity air conditioner during the constant capacity time is also saved.

Emission Reduction Benefits: It can reduce the comprehensive energy consumption by about 3,395 tons of standard coal equivalent per year.





Renewable Energy

CALB Photovoltaic has installed the total capacity of 7.52 million kilowatts, with an expected annual power generation of 8 million kilowatt-hours, and the carbon dioxide emissions can be reduced by 6,336 tons of CO₂ equivalent per year. In the long run, it is expected to install rooftop photovoltaic power of 40 million kilowatts, with an estimated annual power generation of 4.2 million kilowatt-hours.

Biodiversity

CALB is committed to reducing the adverse effects of biodiversity, ecosystem functions, and human health in the production and operation of all aspects, and promoting harmonious coexistence between man and nature.

At the initial stage of project construction, CALB entrusts third-party institutions to investigate, predict and evaluate the adverse effects of the surrounding biodiversity caused by site selection, design and completion and put into use, and issue the environmental impact report of the construction project; during the implementation of the project construction, the environmental management system is quickly introduced according to the requirements of GB/T24001 standard to ensure the pollution prevention and control facilities are established at the same time with the construction subject; during the project acceptance stage, the environmental acceptance and environmental management system certification are actively carried out.



Circular Material Recycling

From the perspective of the characteristics of waste battery materials and the application scenarios of regeneration, multi-level material regeneration technologies have been developed specifically for different waste materials, and a fine disassembly and recycling innovation technology with full-component, high-purity and high-recycling rate has been put forward, which lays the foundation for realizing the regeneration of material levels, highly reflecting CALB's insistence on sustainable development. The three aspects that reflect it are as follows:

Material Level Regeneration Technology: CALB has developed a battery fine disassembly technology, which can avoid the contamination of impurities as much as possible while achieving high recycling rate. With high automation technology, each battery is finely disassembled and all components are recycled separately, without mixing, to achieve high-grade recycling of recyclable materials.

Anode and cathode material in-situ restoration technology: CALB has pioneered the development of anode and cathode material in-situ restoration technology in the industry, which can restore the high-value main materials on the discarded anode and cathode pieces as new. This technology route includes non-destructive detachment, efficient purification and low-temperature interface repair. After repair, the performance of the material can be as good as that of new products, and the cost is more than half of the industry, which meets the requirements of replacing new materials.

Anode and cathode material upgrade regeneration technology: Due to the iterative nature of technology, the anode and cathode materials in retired power batteries often fail to meet the current technical requirements for new materials. CALB has creatively developed a material upgrade regeneration technology accommodating the old materials with next generation developments, which specifically uses the defects of discarded anode and cathode main materials to reversely use them, designs the materials with functional properties and flexibly regulates the components, so as to meet the current or next stage technical requirements and maximize the utilization value of waste materials.

Green Packaging and Logistics

Green Packaging

CALB has formulated relevant packaging management regulations such as *The Packaging Management Regulations* and *The Raw Material Packaging Standards*, protecting the environment and saving resources through standardized design and the use of recyclable packaging materials. CALB adopts recyclable packaging methods such as iron frames, plastic boxes, and pallets, and plans the optimal packaging scheme according to customer requirements and logistics features to continuously strengthen green circular packaging. In 2022, the proportion of circular packaging reached 51%, and the amount of circular packaging exceeded 5,000 tons. In the field of passenger vehicles, CALB stipulates that the production batch projects with a transportation distance of less than 2,000 km must use the circular packaging scheme. By 2022, the proportion of passenger car recycling packaging had accounted for more than 90%.



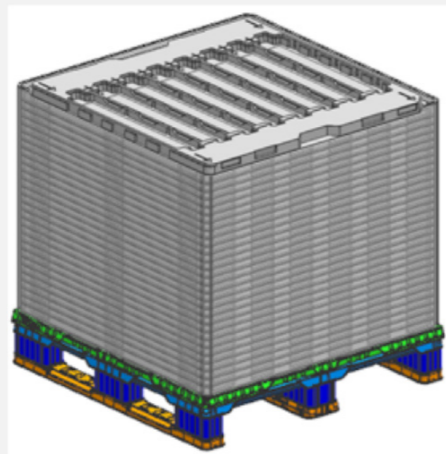
the amount of circular packaging exceeded

5,000 tons

CASE

Shell Cover Plate Incoming Packaging Improvement

In 2022, due to the large scale of disposable paper packaging and the large amount of waste generated by the shell cover plate supply of CALB, we designed and evaluated the circular packaging and finally realized the recycling packaging to replace the disposable packaging, which not only saved more than 30% of the packaging logistics costs, but also realized the direct-to-line testing without the need for battery unpacking.

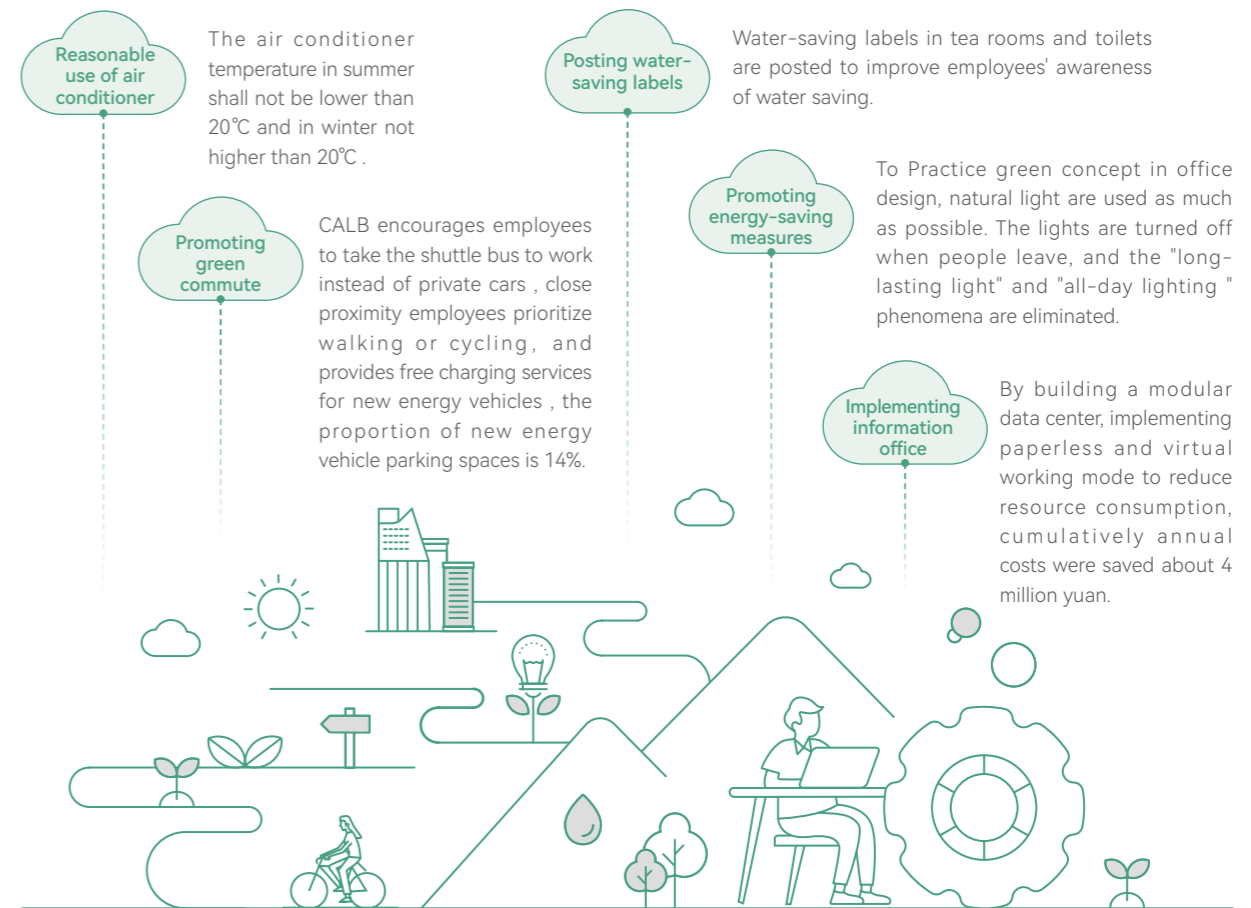


Green Logistics

In terms of factory logistics, CALB adopts highly automated and intelligent warehousing and logistics solutions to realize unmanned logistics transfer according to the needs of the production line. In the loading and unloading process, the forklift electrification rate is as high as 90%, and the forklift electrification rate in the newly built factory has reached 100%. In terms of external logistics, CALB focuses on optimizing road and sea transportation vehicles and container loading to achieve a comprehensive loading rate of more than 95% in volume and weight; In addition, it continues to explore the heavy truck electrification to help achieve the goal of continuous low-carbonization.

Promoting Green Office

CALB practices the concept of green and low-carbon in all aspects of office, striving to create a low-carbon office scenario and a green working environment, rooting the green and low-carbon concept in employees' daily life, and advocating employees to start from little things and start with personal practice.



CASE

Establishing Modular Data Center

CALB uses modular rooms, and build green data centers. High efficiency ratio precision air conditioner is used, layout of room is scientifically and reasonably planned, natural conditions are fully utilized, environment of room is precisely controlled. Compared with traditional room, energy consumption can be reduced by more than 65%, and energy saving of nearly 1.76 million yuan was achieved from January to December 2022. In the future, CALB will continuously build and optimize a green data center of sustainable development and improve energy utilization rate.

People-Oriented and Common Cause

Empowering Employees Development
Attaching Great Importance to Employees' Care
Occupational Health and Safety
Driving Local Development



CALB is committed to creating a fair, inclusive, healthy and safe environment for its employees, continuously improving its human resources and occupational health and safety management system, respecting employees, safeguarding their rights and interests, and empowering employees to create a better future together; CALB actively takes up social responsibility and promotes community building, caring for vulnerable groups, and contributing to the quality development of local social economy.



Empowering Employees Development

Talent is the foundation of the company's growth. CALB always adheres to the development strategy of "culture and talent" and implements the people-oriented concept, fully respects and safeguards the rights and interests of employees, provides competitive salary and benefits and promotion channels for employees; continuously upgrades talent service system, builds a sound training system; cares for employees' work and life with sincerity, provides convenient and warm administrative services, perfects safety guarantee measures, and promotes the sustainable development of the enterprise and employees in the future.

As of December 31, 2022, the total number of employees of CALB is 7,695, and the signing rate of labor contracts is 100%.

According to different types of division (unit: person)

Different Gender	Male	5,875
	Female	1,820
Different Age	under 30	4,625
	from 30 to 50	3,055
	above 50	15
Different Employment Type	regular employees	6,184
	probationary employees	1,511

Rights and Interests Protection

CALB strictly complies with the relevant laws and regulations of the state and local government, establishes a compliant recruitment process, and formulates relevant systems such as *The Working Children and Minors Management Regulations*, clearly prohibiting the recruitment of child labor and treating everyone equally regardless of gender, age, race, nationality, religious beliefs, and other social or individual factors. In the recruitment process of our company, it is prohibited to detain employees' identity cards and collect deposits from employees, and the rights of employees to choose their own jobs shall be protected according to law. All forms of discrimination and harassment are prohibited, and no one is allowed to harass, insult or verbally abuse others. Any form of harassment, abuse or corporal punishment is prohibited. CALB promises not to force or compel labor. The company has established a reasonable and effective appeal procedure for behavior that violates the above policies. If child labor or forced labor is discovered, the company will terminate the employment contract and conduct a thorough investigation, and implement remedial actions. During this reporting period, CALB did not recruit any child labor, force labor or have any discrimination or harassment incidents.

In terms of protecting the rights and interests of women, CALB has set up a Women Employees' Committee of the Trade Union to pay attention to the protection of women employees' labor safety and the physical and mental health of women employees. In order to better protect the rights and interests of pregnant and lactating women, CALB has set up baby care rooms within company and gradually improved the supporting facilities, making it easier for female employees to rest during special periods; in order to protect female employees' rights to take leave during childbearing, CALB clearly stipulates in systems such as *the Leave Management Regulations* that female employees are entitled to maternity leave, breastfeeding leave, etc and strictly implemented them.

Democratic Management

CALB actively promotes democratic management. Through various communication channels, employee opinions and suggestions are collected, staff opinion boards and suggestion boxes are set up in areas with a high concentration of employees such as canteens and dormitories, and special personnel are arranged to collect and reply regularly; through WeChat platform, the company timely replies to the issues that employees concern about (bus timetable, consumption recharge, etc.); CALB regularly organizes labor union committees, employee representative conferences, and employee symposiums to listen to employees' opinions, pay attention to and respect employees' reasonable demands to organize and coordinate, and solve them in time. In addition to company-level communication channels, leaders at all levels and in all departments will have conversations with employees according to their performance and mood to comfort their emotions. During the coronavirus pandemic period, telephone follow-up investigation and consolation were carried out for personnel training in other bases.

Employee Training

In order to build a high-quality employee team, CALB has built a sound training system. Relevant systems such as *Training Management Regulations*, *Job Posting Management Regulations* and *Training Resource Management Regulations* are perfected and training process and management tools are standardized. For key attention groups, according to the training needs of each group of personnel, corresponding training programs and plans are formulated to form special promotion and help employees quickly cultivate competence and quickly gain growth. At the same time, CALB continues to expand and improve training resources, continuously optimize the course system, lecturer system and so on, introduces external excellent courses and lecturer resources, to meet the employees' higher level promotion needs. In 2022, the company's training totaled 138,344 employees, with an average training time of 31 hours.

the company's training totaled
138,344 employees

average training time
31 hours

Two special training projects that were focused on in 2022 are as follows:



**Fresh Graduates Special
Training Project**

Completed pre-job training and concentrated training for more than 1,500 fresh graduates, and continued to track the on-the-job training of these fresh graduates to help them quickly adapt to the company and be competent for their positions.



Yunyan Training Project

About 1400 team leaders participated in the Yunyan training, from training needs research, course content development, course resource matching, training standardization implementation, behavior evaluation and other aspects to control the overall effect of the project, in-situ proposal improvement has been highly recognized by the department.



CASE

The First Grand Skill Competition of CALB

In order to improve the skills of employees and be familiar with and master job skills, on May 25, 2022, the Strategic Human Resources Center jointly planned the grand skill competition event with Jiangsu Manufacturing Operation Center, Manufacturing Engineering Institute and Quality Center, taking skill competition as the starting point to continuously improve job skills of employees.



Employee Promotion

CALB has established a sound dual-channel promotion system, creating an open, fair, just and caring environment. It pays attention to employees' career planning, respects people and trains people. It provides systematic training programs and resource support for employees' rapid growth and provides growth platforms, development opportunities and promotion channels for everyone, so as to realize the win-win situation between the development of the company and the development of employees.



Attaching Great Importance to Employees' Care

Salary and Benefit

We have established and continuously improved the management system of salary and benefits, actively constructing a salary and benefit system with both external competitiveness and internal fairness. CALB strictly abides by the national regulations and pays social security for the employees every month, covering 100% employees. The company implements employee equity incentive plans to share benefits with employees, CALB will continue to optimize and promote talent incentive plans, establish a hierarchical incentive system for different employee categories, and further enhance employees' sense of belonging, accomplishment and honor.



Employee's Mental Health

CALB pays close attention to employee mental health, relieves employees' psychological pressure, and promotes employee mental health through setting up psychological counseling hotlines, holding employee mental health lectures, and conducting psychological questionnaire surveys. In the future, CALB will continue to carry out work related to mental health, such as regular psychological lectures, psychological questionnaire surveys, special psychological consultation clinics, employee mental health assessments at the time of entry, and opening up accessible psychological counseling, to help employees establish a positive and healthy mentality.

CASE

On November 4, 2022, CALB invited professional doctors to give employees a special lecture on *Stress and Emotional Management in the Workplace* to empower employees to reduce their stress.

Activities for Employees

CALB actively advocates the cultural concept of "happy work, happy life", pays attention to the physical and mental health of employees, and provides employees with various forms of cultural and sports activities, giving employees cultural care in all aspects and enhancing their sense of belonging.

CASE

With the union taking the lead, more than 10 cultural and sports associations have been set up, such as badminton, basketball and English associations. Through organizing various cultural and sports activities regularly, employees' leisure life is enriched and their happiness and sense of belonging are enhanced.



CASE

On March 8, 2022, CALB prepared a series of activities for female employees, such as giving away gift boxes, providing online lectures about women's health, and hiring professional photographers to take the most beautiful ID photos for female employees.



CASE

Holding an activity of "Enjoy a pleasing festival with delicious rice dumplings" -- On the Dragon Boat Festival in 2022, CALB carefully organized special activities such as handmade fragrance bags and five-color thread weaving, so that employees could feel the unique charm of traditional festivals and the warm and caring of CALB at the same time.



CASE

On the Double Seventh Festival, CALB held a themed social activity "Expecting You, Hoping You" for single young employees.



CASE

CALB held a summer open event for parents and children, "Lithium Goes with You", to enhance employees' sense of belonging to the company. Taking the children for a stroll in the corridor, and through making the "cores" model by hand, assembling environmental science and technology small handicrafts, drawing environmental bag and hat patterns, etc., CALB sowed the seeds of green environmental protection and sustainable development in the hearts of the children.



CASE

In October, singing the new era, striving for the future, the chorus competition and garden party activities of CALB ended perfectly.



Occupational Health and Safety

CALB has always implemented the safety production policy of "zero accidents, zero pollution, respecting life and joint development", firmly abide by the relevant laws and regulations such as the *Safety Production Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*. It sets up the concept of "people-oriented, safety first, and comprehensive governance" to establish and improve the occupational health and safety management system, continuously optimizes the occupational health and safety management strategies, strengthens safety production management, protects employees' occupational health, and strives to create a healthy and safe working and living environment for employees, thus providing a continuous source of power for the company's sustainable development. In 2022, the company passed the GB/T45001-2020/ISO45001:2018 management system certification and safety standardization enterprise certification, and was awarded the title of "Jiangsu Healthy Enterprise".



Safety Management System

Following the requirements of national safety production, safety standardization, and double prevention mechanism, CALB adheres to the principle of "safety is a key issue of industry management, business management, as well as production and operation management". It has established a safety production committee to promote the implementation of the main responsibility of safety production of the company and the achievement of various safety targets, so as to ensure the safe and smooth operation of the company. CALB has formulated documents such as the *Environmental and Occupational Health and Safety Management Manual*, the *Safety Production Standardization Management Regulations*, and the *Occupational Health and Safety Operation Control Procedures* in accordance with the ISO45001 occupational health and safety management system, and strictly implements health and safety management in all processes of production and operation, and comprehensively controls the safety of production in all aspects.

Safety Goal Management

CALB sets occupational health and safety management goals every year, focusing on risk identification and control, internal and external compliance, and personnel ability improvement, and continuously reducing safety risks and enhancing safety levels.



Safety Production Management

Combining the characteristics of the lithium-ion battery industry, the company focuses on risk management, strengthens its safety management, and implements the responsibility of all personnel in safety to enhance the level of safety management and prevent crossing the safety production red line.

● Safety Control of Production Facilities and Equipment

CALB strengthens the standard and equipment safety inspection during the construction period, establishes an equipment safety inspection team with the help of various departments, and controls safety in stages to reduce safety risks, and places the standard into the whole life cycle of equipment development.

● Safety Management of Related Parties

The company establishes a construction cycle safety period management process, strictly implements the construction approval and dangerous operation approval, strengthen the safety control of the whole construction cycle through safety inspection.

● Safety Control of Production Process

CALB carries out three-level training and special safety education training for occupational health and safety to improve employees' safety skills, standardize employees' safety operations, enhance employees' awareness of safety production. It also establishes the *Safety Production Responsibility System* to specify the safety responsibilities of all levels of personnel, and supervise all employees to perform their safety production responsibilities.

● Safety Risk Management

According to the probability of potential danger inducing accidents, the degree of hazard, etc., the potential danger is classified and the potential danger inspection is divided into company level, workshop level and team level. Regular potential danger inspection work is carried out, the potential danger is rectified according to the classification and rectification ideas, the potential danger rectification measures are formulated, and the effectiveness of the potential danger rectification results is verified.

● Fire and Emergency Management

Based on the recognition of risks, the company has established an emergency plan system with comprehensive emergency plan as the first, special emergency plan as the auxiliary, on-site disposal scheme and on-site emergency disposal card as the specific emergency guidance. The company has established a special emergency team ERC and regional emergency organizations ERT to identify safety risks. According to the content of the emergency plan, special emergency drills and on-site team emergency drills are conducted monthly to test and improve the employees' emergency response capabilities. At the same time, it regularly carries out joint emergency drills with relevant government departments to enhance the plant's ability to respond to major safety incidents.

Occupational Health Risk Management

CALB prevents occupational diseases risks through system standards, scientific management, daily protection and training and education, strictly implements occupational health record management, and ensures employees' occupational health. CALB provides enough protective equipment and suits for employees and supervises employees to use and wear them correctly. At the same time, it implements the occupational health environment standards for employees' production work, sets occupational health protection equipment and facilities such as dust collectors and mufflers, and installs safety grating, shielding door and protective board and other safety protective equipment to ensure the health and safety of employees.

Safety Culture

CALB has established a three-level occupational health and safety training and education system at the company, department and team levels, involving training in basic safety production knowledge, work environment and risk factors, safety production risk identification methods and risk control measures, and supplemented by daily safety culture publicity and regular cultural training, to comprehensively enhance employees' safety skills and safety awareness.



Daily Special Safety Training	Organize special safety training for team leaders and above levels on a regular basis every month, and transfer training from level to level to ensure that safety concepts and warnings are updated in time.
Special Safety Education for Safety Production Month	Invite external experts to conduct safety regulations and accident warning education and training for management personnel including safety responsible persons.
Implementation of the Five-Step Safety Rope Method	Follow the thinking mode of "thinking first, then acting", and promote the five-step safety rope method ² .
Fire Equipment Practical Exercises	Organize ERT grand competition, fire equipment practical road show and other competitive and interesting activities on a regular basis to strengthen employees' operation skills of various fire equipment, establish fire safety awareness, and enhance employees' sense of responsibility for fire safety.
Establishment of "Red Cross Rescuer" Emergency Rescue Team	Regularly organize Red Cross rescuer training to improve the emergency rescue skills of personnel at all posts, simultaneously enrich the medical emergency rescue equipment, and ensure the emergency rescue ability.

² Step 1: Check; Step 2: Wear; Step 3: Up & Down; Step 4: Horizontal; Step 5: Check

Driving Local Development

CALB has incorporated "fulfilling social responsibility" into its core values and is actively practicing social responsibility, fulfilling its due role as a large enterprise, working together with employees, customers, suppliers and other stakeholders to promote high-quality economic development in the region, responding actively to social needs, and focusing on caring for the youth. At the same time, it has actively promoted community building.

Helping the Local Economy, Driving local Employment

CALB has accelerated its global industrial layout and has built multiple industrial clusters in China, which has enabled the rapid release of high-quality production capacity in each base. While achieving its own high speed development, CALB works with all ecological partners to construct healthier industrial ecology and to drive the high-quality economic development of the industry and region. In 2022, the company paid taxes of 404.96 million yuan.



In 2022, the company paid taxes of

404.96 million yuan

CASE

Jiangmen base won the honorary title of "Local Economic Special Contribution Enterprise"

Since its landing in 2022, CALB (Jiangmen) Co., Ltd. has made remarkable achievements with the concerted efforts of all employees, constantly breaking the records of "CALB Speed" and "Jiangmen Speed", and promoting the rapid construction of projects. At the same time, CALB has given full play to its role as the leading giant of the industry in building and leading a healthier industrial ecology, working with all partners to promote the extension of the Jiangmen new energy industry chain, enterprise clustering, scale-up and demonstration applications, making outstanding contributions to the high-quality economic development of Jiangmen, and winning the only honorary title of "Local Economic Special Contribution Enterprise" in Jiangmen in 2022.



Charity Brings Warmth and Love to the Society

CALB is committed to becoming an initiator and communicator of charity, actively participating in and supporting public welfare undertakings with a high sense of mission and responsibility, and responding to social needs in a timely manner. In 2022, CALB cumulatively donated about 6.05 million yuan in cash.



CALB cumulatively donated about

6.05 million yuan

CASE

Luding Earthquake Relief in Sichuan

At 12:52 on September 5, 2022, a 6.8-magnitude earthquake occurred in Luding County, Ganzi Prefecture, Sichuan Province. CALB donated 5 million yuan in cash through the Red Cross organization to Luding, Sichuan, which was severely damaged, to be used for frontline relief, resettlement and post-disaster reconstruction.



CASE

Employee volunteer blood donation activity

To respond actively to the blood donation initiative in Jintan District, Changzhou City, on July 12, 2022, a mobile blood donation vehicle drove into CALB, and nearly 80 employees of the company gathered in the report hall of the Institute to prepare for the volunteer blood donation activity. Under the enthusiastic guidance of the staff, after filling out the blood donation registration form, the employees entered the physical examination, screening test and blood donation process in an orderly manner. A total of 74 employees were qualified to donate blood on the same day, with a total of 25,400 milliliters of blood donated, effectively relieving the local summer blood supply pressure.



Caring for Children in Difficulties and Escorting Healthy Growth

CALB cares for the growth of young people, and contributes to the educational revitalization by means of volunteer teaching, public welfare donations and other ways to carry out community care work for vulnerable groups such as left-behind children and children in difficulty.

CASE

On the occasion of Children's Day, CALB's volunteers jointly organized a series of public welfare activities with Dandelion Public Welfare Organization in Jintan District of Changzhou City. Volunteers will continue to provide more support for the children.

"Love for Children"



With the "Love for Children" program, CALB donated various books to the left-behind children and children in difficulty in multiple communities.

"Zongqing Yaotang"



The "Zongqing Yaotang" activity held a "Zongqing Yaotang, Colorful June 1st" themed event to give the children festive gifts.

"Treasure Hunt Dream"



The volunteers of "Treasure Hunt Dream" activity purchased wish gifts for the children and prepared a "treasure hunt" game for five disadvantaged children. After careful searching, they eventually found the "treasure", getting their wish gifts.

"Volunteer Care"



The volunteers of "Volunteer Care" program brought love and blessings to Qizhi School and prepared festival gifts for exceptional children.

CASE

On June 1, 2022, volunteers from Xiamen Base went to Neicou Central Primary School to donate to students in difficulties. The donated items included school bags, water cups, umbrellas, etc., with a total value of 12,000 yuan.



CASE

On the eve of July 1st, volunteers from Xiamen Base went to Neicou Liantang Primary School to carry out voluntary teaching activities. The volunteers brought course materials and exquisite stationery to the children, and used interactive methods to teach and inspire the children's creativity.



CASE

On the eve of Children's Day on June 1, 2022, volunteers from Hefei Base went to the Central School of Xiatang Town to carry out "Children's Day" condolence giving activities, and gave out stationery and consolation money to the disadvantaged children, encouraging them to study hard.



Integrity Development and Mutual Benefit

- Perfecting Governance Mechanism
- Committed to Sustainable Operation
- Compliance with Business Principles
- Responsible Supply Chain



CALB adheres to the requirements of the listing rules and relevant domestic and foreign laws and regulations to continuously improve its governance mechanisms and management systems, strengthens risk management, abides by local laws and regulations and morality, ensures the standardized operation and sustainable development of the company, and creates value for shareholders and society. CALB gives full play to its "chain master" advantage, promotes suppliers to transform to sustainable development, and works with partners to create a shared, mutually beneficial, and healthy industry ecology.

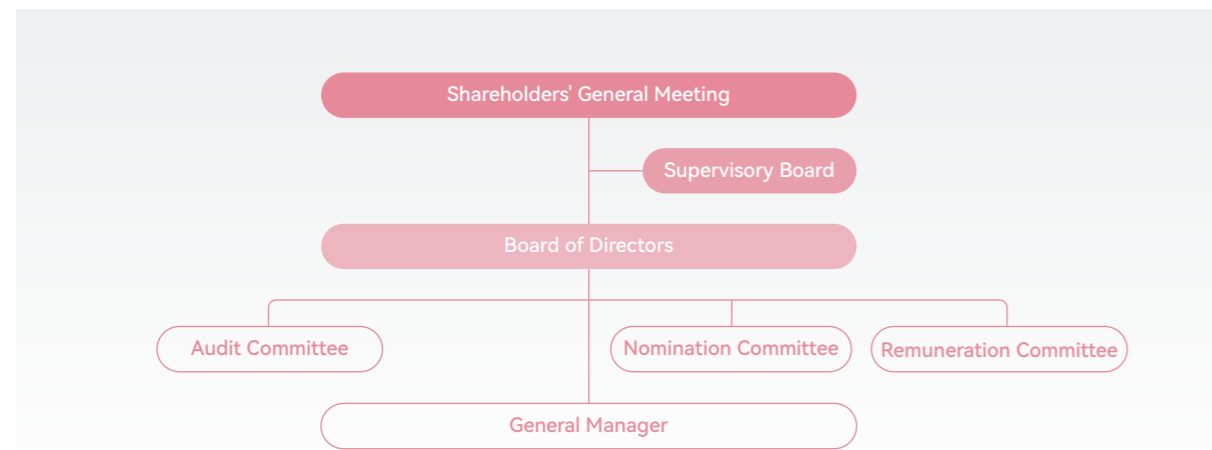
Perfecting Governance Mechanism

CALB's general meeting of shareholders, board of directors, and supervisory board strictly follow the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, and other domestic and foreign laws and regulations and normative documents to continuously improve the corporate governance structure and rules of procedure to ensure that the company's management has legal basis and procedures, prevent business risks, and effectively protect the legitimate rights and interests of all shareholders. At the same time, CALB continues to strengthen its system construction to improve the standardization level of CALB's operation, gradually forming a mechanism of clear responsibilities, standardized operations, mutual coordination, and mutual balance among power institutions, decision-making bodies, supervision institutions, and management layers, in order to further enhance the corporate governance level and promote the standardized operation of CALB.

At present, the term of CALB's board of directors is 3 years, which can be re-elected upon expiration; the board of directors consists of 8 members (3 of which are external independent directors), all of whom are of Chinese nationality, 7 males accounting for 87.5% and 1 female accounting for 12.5%. The composition of the company's board of directors and supervisory board is established in accordance with the relevant laws and regulations and the actual needs of the company, and the qualification of the members of the board of directors and the supervisory board comply with the requirements of the *Articles of Association* and other laws and regulations. They all have the necessary professional knowledge, skills, and qualities to earnestly, faithfully, and diligently perform their respective duties.

The board of directors of CALB has three special committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee. The special committees seriously consider economic, environmental, and social matters and make suggestions according to their respective responsibilities, which play an important role in the formulation of scientific and compliant decisions by the board of directors.

Corporate Governance Structure



Investor Communication

The company attaches great importance to investor relations and has established an effective communication channel to maintain active communication with investors. In 2022, the company issued a total of 29 temporary announcements. For the relevant matters to be submitted to the company shareholders' meeting, board of directors, supervisors' meeting, etc. for review, the company disclosed the above information to the public in the prescribed time, media and mode, and submitted it to the securities regulatory authorities in accordance with the regulations to ensure the fairness of information disclosure and protect the legitimate rights and interests of the company, investors and other stakeholders. At the same time, the company conducted two-way communication with investors in different forms, such as roadshows, surveys, online and offline meetings, and actively responded to investors' concerns.

CASE

An Open Day for Media

On September 16, CALB's Open Day for Media event was successfully held in Changzhou. More than 50 representatives of mainstream media attended the event through online and offline methods, witnessing the latest progress and achievements of CALB in technological innovation, large-scale manufacturing, capacity building, intellectual property layout, etc. Xiaoqiang Wang, Vice President and Dean of Manufacturing Engineering Institute of the company, and relevant department heads attended the event and communicated with the media on topics of concern.



Committed to Sustainable Operation

Risk Management

The Board of Directors is the leading decision-making body for internal control and risk management. The Audit Committee is responsible for supervising the implementation of the company's internal control and risk management system, and the legal and internal control department conducts internal control and risk management evaluation annually and reports to the Audit Committee. At the same time, CALB attaches great importance to the cultivation of internal control and risk management awareness and capabilities, establishing an internal control and risk management team at the company's industrial base and conducting related knowledge training.

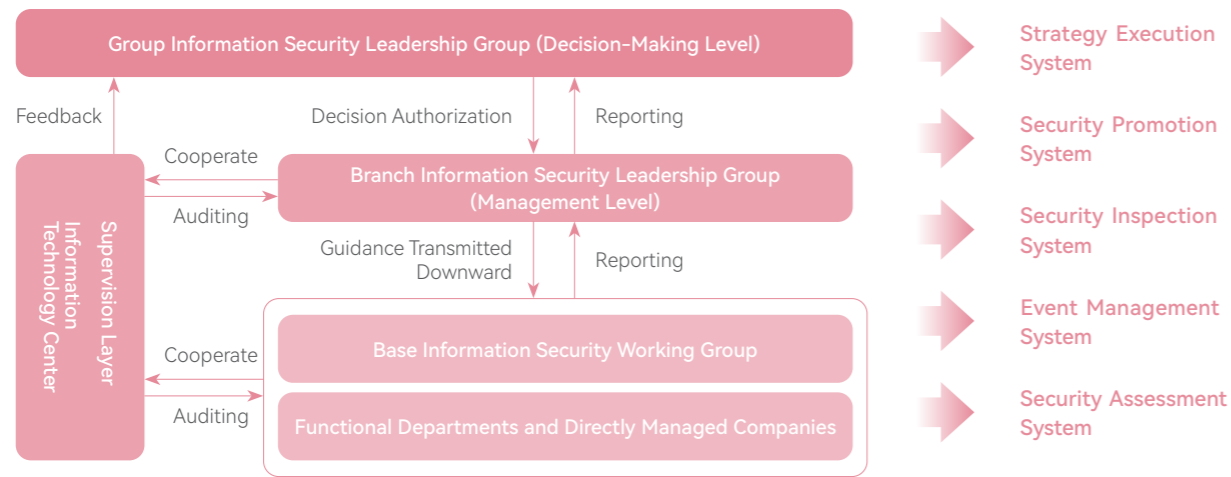


In order to improve the scientific, standardized and effective management and operation of the company, CALB has established the *Risk Management Procedure*, implemented a risk management organizational system with clear responsibilities and hierarchical management, i.e. the business departments and manufacturing bases of the company are the first responsible units for risk management, responsible for the daily specific risk control work, and the legal and internal control department is responsible for coordinating the risk identification, assessment and formulation of risk response measures. In 2022, through combing main business and combining internal and external environment, CALB carried out risk identification from the aspects of strategy, market, finance, operation, law and ESG, evaluated the risk impact, and continuously improved the risk response mechanism.

Information Security Management

In accordance with laws and regulations such as the *Data Security Law of the People's Republic of China*, the *Network Security Law of the People's Republic of China* and the requirements of ISO27001:2013 Information Security Management System, CALB established an information security management system, set up the Information Security Leadership Team centering on the top leadership of the enterprise. Besides, centering on the information security policy of "compliance with laws and regulations, safeguarding information security, protecting customers and company interests, winning customers' trust, fulfilling social responsibilities and obligations", CALB implemented the classification and management of data and the strict execution of information security strategy to maximize the security of company information assets and customer data.

Information Security Organization Structure Figure



In 2019, CALB achieved a high score in TISAX (Trusted Information Security Assessment Exchange), meeting the high-level requirements of European automotive service providers for confidentiality, integrity and reliability of key information assets, and re-certification assessment was obtained in 2022; In 2020, it passed the certification requirements of International ISO27001:2013 Information Security Management System and supervision and audit in 2021 and 2022; In 2022, it obtained the certification of *Information and Industrial Integration Management System 2.0* and the three-star enterprise qualification of Jiangsu Province Industrial Control Security Star Evaluation. As of the end of the reporting period, CALB has not experienced any data leakage or violation of privacy protection and other information security incidents.

Compliance with Business Principles

Compliance Management

CALB, taking its business departments as the main responsible departments, timely obtains and studies the latest laws and regulations, and updates the internal relevant systems in accordance with the requirements. At the same time, CALB organizes the identification and compliance assessment of laws and regulations every six months to ensure the compliance of the company's various businesses.

In addition, in 2022, CALB highlighted the emphasis on compliance management, aiming at prevention and taking systematic construction as the key. The company has carried out special compliance construction for the main compliance risks in the high-tech industry to which it belongs, and has incorporated the measures into the company's daily business processes such as R&D management and informatization construction; in order to ensure the international development of its business, the company has carried out compliance management for its overseas business; in terms of compliance training, CALB has carried out special training for different positions and employee groups such as senior managers, R&D personnel, production line management personnel, business support departments and new employees, with hierarchical and emphasis on the compliance awareness and ability required.

CASE

Directors and Supervisors Compliance Training

In 2022, CALB invited external experts to provide directors and supervisors with compliance obligations training, and completed the training test. In addition, CALB also organized special trainings such as ESG management and trade secrets management for directors and senior managers separately.



Business Ethics

In 2022, CALB revised and issued the *Employee Code of Conduct*, which provides a correct guidance for all employees of the company and all relevant parties who are responsible for the company's related duties in terms of business ethics.



Fair competition: CALB's transactions are guaranteed to be conducted under equal participation opportunities, in accordance with the principle of free competition. It builds mutual trust and cooperation relations through transparent and fair transactions, and strictly complies with relevant laws and regulations on anti-monopoly and anti-unfair competition.



Conflict of interest and avoidance: CALB requires all employees to be loyal to their duties and safeguard the company's interests when engaging in any activities. Employees should avoid engaging in activities that may affect the company's interests, including any investments, interests, affiliations, relationships or other external activities. Once activities that affect the company's interests are found, employees should immediately implement the reporting procedures.



Anti-money laundering: CALB complies with the relevant laws and regulations of the country on anti-money laundering, faithfully fulfills the statutory duties of anti-money laundering, and incorporates the work of anti-money laundering into the company's risk management system.



Anti-fraud: CALB has formulated relevant regulations such as the "Anti-Fraud Management Regulations" and complaint systems, set up special mailboxes and telephones to accept complaints which are handled by special personnel. We keep the complainant confidential and protected, and strictly prohibit retaliation.

Business ethics complaint channels:

Telephone: 0519-68903688 ext. 664090

Email: jijianjubaoxinxiang@calb-tech.com



In 2022, CALB conducted tier-by-tier business ethics training, with a total of 21,718 employees undergoing business ethics training. At the same time, the company joined the Corporate Anti-Corruption Alliance and continued to enhance its anti-corruption capabilities. No bribery lawsuit reports were received in 2022.

Responsible Supply Chain

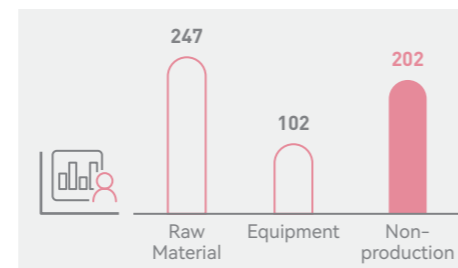
CALB advocates and practices the supply chain policy of "fairness, mutual trust, win-win, taking social responsibility and leading green development", and integrates the concept of sustainable development into the supply chain management, establishing a positive, green and win-win cooperation relationship with suppliers, and jointly building a sustainable industrial ecology with the parties of our supply chain.

Supply Chain Management System

CALB has formulated a series of supplier management systems, such as the *Supplier Management Procedure*, *Procurement Management Procedure*, *Supplier Performance Management Method*, *Responsible Minerals Procurement Management Method*, etc. CALB also regularly reviews the management system every six months to optimize the supply chain management system in order to meet the requirements stipulated by new laws and regulations of domestic and foreign customers and the industry. CALB has added the "Supply Chain Sustainable Development Policy", proposing management requirements for suppliers' social responsibilities from business ethics, environment, human rights and other aspects, and jointly creating a healthy industry ecology with the supply chain partners.

According to the *Supplier Management Procedure*, suppliers are classified into three categories: production-related material suppliers, non-production material suppliers and production equipment suppliers. By the end of 2022, CALB has a total of 551 suppliers, 99% of which are from domestic. With the planning of the company's European factories, it is also promoting the localization of major material suppliers in Europe and planning to introduce mature suppliers in Europe.

The Number of CALB Suppliers in Various Categories in 2022



Supplier Admission

CALB has established a sound supplier admission management mechanism, comprehensively evaluating suppliers from the dimensions of R&D, quality, capacity, and cost, while investigating suppliers for any problems related to corporate social responsibility and evaluating the risks from four dimensions of business ethics, human rights risk, environmental protection, and sustainable procurement. For suppliers with ESG red line issues, our cooperation with such suppliers in question will be stopped immediately. Before official admission, CALB signs the *ESG Agreement* with the supplier and by the end of 2022, the coverage ratio of the supplier agreement is 100%.

Supplier Evaluation

Suppliers of production-related materials are evaluated according to the *Supplier Performance Management Method* from the four dimensions of technology, quality, delivery, and cost, with monthly scoring and quarterly ratings. For suppliers rated excellent, quota support is given. In addition, in 2022, CALB added management requirements for supplier ESG on-site audits, and formulated special ESG audit checklists, involving 50 issues in 12 ESG-related areas, 8 of which have veto rights. Only after no major ESG issues are discovered in the audit can it pass; for problems found in the audit, suppliers need to formulate rectification plans and close them in a timely manner, which further perfects the sustainable management system of supply chain. In 2022, 6 main material suppliers were audited on-site, in 2023, the coverage will be further extended to all main material suppliers, and ESG management of the supply chain will be effectively achieved through annual audits.

Supply Chain Sustainable Development Training

CALB organized suppliers to participate in third-party Gabi software and LCA case analysis training; at the same time, CALB participated in customer supply chain ESG awareness improvement special training and customer supplier ESG training, with a coverage rate of 93% for procurement personnel training; in addition, CALB actively participated in industry forums such as the "Vulnerability and Collaborative Governance of Key Mineral Supply Chains in New Energy Batteries" theme forum, *Responsible Management of Mineral Supply Chains Survey and Consultation Mechanism* opinion solicitation meeting, launch meeting of the "RCI Member Enterprises Mineral Supply Chain Responsible Management Maturity Research Project" for opinion solicitation, and *RCI Cobalt Hand Mining ESG Framework* online seminar.



Legitimate Procurement

CALB adheres to the procurement principles of fairness, justice and openness in dealing with all suppliers. The company has signed integrity-building agreements with all suppliers, obeys the laws and regulations, and strictly prevents all kinds of improper behavior. A disciplinary inspection department has been set up and public channels for reporting have been opened up, and zero tolerance is maintained for violations of the law and regulations. At the same time, 100% of the procurement staff signed the *Legitimate Procurement Commitment*, requiring employees to act with integrity and create a healthy business environment for suppliers.

Conflict Mineral Management

In view of the industry nature of the company, CALB attaches great importance to the potential adverse impact risks of mining, trading, disposal and export of mineral resources in areas affected by conflict and high-risk areas. CALB has formulated the *Responsible Mineral Procurement Management Method* in accordance with the *Responsible Mineral Supply Chain Management Guide of China*, the *Investigation Guide of OECD*, and other relevant policies, and has set up a professional team of responsible mineral supply chain management led by senior managers of the company. The company carries out due diligence investigation of responsible mineral supply chain in accordance with the *Guidelines for Due Diligence Investigations of Mineral Supply Chains in Conflict-Affected and High-Risk Areas of OECD*.

Conflict Mineral Due Diligence

CALB collects information on suppliers' due diligence performance through *CRT*, *CMRT* survey forms and other types of information channels, and carries out risk assessment. In addition, suppliers with sourcing locations in DRC (Kinshasa) are subject to special checks. By 2022, CALB has completed the information survey of anode and cathode material suppliers, and found no serious human rights violations such as child labor, forced or compulsory labor, and support for non-governmental armed groups in upstream suppliers."

If any warning signals are found, CALB will immediately discuss with suppliers the risk mitigation measures, promote and assist suppliers in carrying out rectification actions and gradually improve the responsible mineral supply chain management system, and closely follow up on the progress of suppliers' risk mitigation, until the risk is eliminated; if it is not possible to reduce the risk, the company will terminate the cooperation with the relevant suppliers.

CALB requires the smelter, as a key part of the supply chain, to carry out independent third-party audit according to the *Cobalt Refinery Supply Chain Responsible Management Standard*, including both the refinery and the smelter. Currently, two anode material suppliers that the company is cooperating with have completed the third-party audit, and there is no risk.

Appendix

Content Index of the HKEX ESG Reporting Guide

Environmental		
Disclosure Indicators		Page
A1: Emissions		
General disclosure		P34-47
A1.1	The types of emissions and respective emissions data.	P36-42
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P36
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P41, 74
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P41, 74
A1.5	Description of emissions target(s) set and steps taken to achieve them.	P34-47
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P41
A2: Use of Resource		
General disclosure		P34-47
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P74
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P41-42, P74
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P34-47, P74
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P41-42, P74
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P45-46, P74
A3: The Environment and Natural Resources		
General disclosure		P35-36, P44
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P44
A4: Climate change		
General disclosure		P37-39
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P37-39
Social		
Disclosure Indicators		Page
B1: Employment		
General disclosure		P48-55
B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	P50, P74
B1.2	Employee turnover rate by gender, age group and geographical region.	P74
B2: Health and safety		
General disclosure		P56-58
B2.1	Employee turnover rate by gender, age group and geographical region.	P76

B2.2	Lost days due to work injury.	P76
B2.3	Description of the occupational health and safety measures adopted and related implementation enforcement and monitoring methods.	P56-58
B3: Development and training		
General disclosure		P50-52
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P75
B3.2	The average training hours completed per employee by gender and employee category.	P51, P75
B4: Labour Standards		
General disclosure		P50-51
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P50
B4.2	Description of steps taken to eliminate such practices when discovered.	P50
B5: Supply Chain Management		
General disclosure		P70-71
B5.1	Number of suppliers by geographical region.	P70, P77
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P70-71
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P70-71
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P70-71
B6: Product Responsibility		
General disclosure		P27-33
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P32
B6.2	Number of products and service related complaints received and how they are dealt with.	P33
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P16-19
B6.4	Description of quality assurance process and recall procedures.	P32
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P32
B7: Anti-corruption		
General disclosure		P69
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P69
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P69
B7.3	Description of anti-corruption training provided to directors and staff.	P69
B8: Community Investment		
General disclosure		P59-63
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P59-63
B8.2	Resources contributed (e.g. money or time) to the focus area.	P59-63

Key Performance Table 2022

Economy					
Disclosure Indicators		Unit	2022 Year	Remark	
Revenue		10000 yuan	2,037,494		
Net profit		10000 yuan	69,354		
Taxes paid		10000 yuan	40,496		
Environmental					
Disclosure Indicators		Unit	2022 Year	Remark	
Emissions ³	Atmospheric pollutants	Emission amount of VOC	ton	5.43	Remark: ³ Our company's disclosure scope of emissions includes Jiangsu and Xiamen bases. ⁴ The range 1 direct greenhouse gas emissions sources include natural gas, gasoline, diesel, fire-fighting gases, refrigerants and rust removers. ⁵ The range 2 greenhouse gas emissions sources also include electricity. ⁶ Solid waste includes scrap materials, scrapped batteries, industrial waste and hazardous waste. ⁷ Non-hazardous waste includes scrap materials, scrapped batteries, industrial waste and hazardous waste. ⁸ Non-recyclable waste includes fertilizer production and construction waste. ⁹ Recyclable garbage includes recyclable production waste, waste materials, etc.
		sulfur oxides	ton	1.27	
		nitrogen oxides	ton	27.53	
		particulate matter	ton	3.27	
	Water pollutants	Total wastewater discharge	ton	105,258	
		COD	ton	8.41	
		ammonia nitrogen	ton	0.80	
		BOD	ton	0.04	
	Total emissions of greenhouse gases	range 1 greenhouse gas emissions ⁴	tons of carbon dioxide equivalent	134,957.01	
		range 2 greenhouse gas emissions ⁵	tons of carbon dioxide equivalent	450,953.34	
		Greenhouse Gas Emission Intensity	Kilograms of CO ₂ Equivalents/Kilowatt Hour	28.43	
	Solid waste ⁶	total waste discharge	ton	48,534.39	
		total waste recycling	ton	34,617.20	
	Hazardous waste	Total hazardous waste	ton	9,496.38	
		total hazardous waste disposed	ton	9,496.38	
		hazardous waste per unit product	tons/kWh	0.0004	
	Harmless waste ⁷	Total harmless waste	ton	39,038.01	
		harmless waste per unit product	tons/kWh	0.002	
		production waste ⁸	ton	4,420.81	
		recyclable waste ⁹	ton	34,617.20	
Resource Use ¹⁰	Energy consumption ¹¹	Total direct energy consumption	MWh	641,013.99	
		Total indirect energy consumption	MWh	671,730.44	
		Total energy consumption	MWh	1,312,744.43	
		Energy consumption intensity	MWh/GWh	63,694.54	
	Water resource consumption	Total water consumption	cubic meters	2,080,819	
		Water using intensity unit revenue	m ³ /10,000yuan	1.02	
	Total Use of packaging materials	Total usage of packaging materials	ton	9,370.90	
		Recycled packaging of mass-produced projects	ton	4,793.41	
	recycling rate of mass-produced projects	%	51.15		
Environmental protection input	Environmental protection input	Total environmental protection investment	10,000 yuan	12,128.34	
		Environmental protection training investment	10,000 yuan	16.29	
		Number of environmental protection training people	Number	41,718	

Society					
Disclosure Indicators		Unit	2022 Year	Remark	
Employee Situation	Total Number of Employees ¹²	/	Person	7,695	注: ¹² Our personnel information and annual reports are consistent, including the Chinese region group and its subsidiaries.
	Rate of Labor Contract Signing	/	%	100	
	Number of Employees Divided by Different Regions	China region	Person	7,695	
		Other regions	Person	0	
	Number of Employees Divided by Different Genders	Number of Male Employees	Person	5,875	
		Number of Female Employees	Person	1,820	
	Number of Employees Divided by Different Employment Types	Regular Employees	Person	6,184	
		Probationary Employees	Person	1,511	
	Number of Employees Divided by Different Ages	Under 30	Person	4,625	
		30 to 50	Person	3,055	
		Over 50	Person	15	
	Number of Employees Divided by Different Levels	Senior Management	Person	8	
		Middle Management	Person	65	
		Frontline Employees	Person	7,622	
Number of Top Executives Divided by Gender	Male Executives	Person	5		
	Female Executives	Person	3		
Employee Attrition	Actual Number of Resigned Employees	/	Person	1,717	
	Attrition Rate	/	%	18	
	Attrition Divided by Different Genders	Actual Number of Resigned Male Employees	Person	1,406	
		Male Attrition Rate	%	19	
		Actual Number of Resigned Female Employees	Person	311	
		Female Attrition Rate	%	15	
	Attrition Divided by Different Regions	Attrition Rate of Employees from Mainland China	%	18	
	Attrition Divided by Different Levels	Senior Management	%	0	
		Middle Management	%	1	
		Frontline Employees	%	18	
Attrition Divided by Different Age Groups	Under 30	%	18		
	30 to 50	%	18		
	Over 50	%	6		

Society						
Employee Training	Percentage of Employees Divided by Gender and Employee Types (e.g. Senior Management, Middle Management) Who Received Training	Number of Employees Who Received Training	Number	138,344		
		Percentage of Employees Who Received Training	%	100		
		Number of Male Employees Who Received Training	Number	108,834		
		Number of Female Employees Who Received Training	Number	29,510		
		Number of Senior Management Who Received Training	Number	132		
		Number of Middle Management Who Received Training	Number	180		
	Average Number of Hours Each Employee Spent on Training Divided by Gender and Employee Type	Number of Frontline Employees Who Received Training	Number	138,032		
		Average Number of Training Hours for Employees	Hour	31		
		Average Number of Training Hours for Male Employees	Hour	31		
		Average Number of Training Hours for Female Employees	Hour	28		
		Average Number of Training Hours for Senior Management Employees	Hour	12		
		Average Number of Training Hours for Middle Management Employees	Hour	12		
Employee rights and interests protection	Average Number of Training Hours for Frontline Employees	Hour	31			
	Percentage of Five insurances and one fund covering employees	%	100			
	number of child labor events occurring in the year	Times	0			
	number of forced labor events occurring in the year	Times	0			
	Employee diversity	Number of employees from minority and/or vulnerable groups	Person	1,681		
		number of executives from minority and/or vulnerable groups	Person	1		
The number of incidents of discrimination and physical, psychological and verbal abuse reported in the workplace		Times	0			
The affected number of incidents of discrimination and physical, psychological and verbal abuse reported in the workplace		Person	0			
Health and safety	Contractor work injury rate	number of work injury accidents	Number	0		
		Rate of work injury accidents per million hours worked	%	0		
	the number and rate of fatalities due to work in the past three years (including the reporting year)	number of fatal injuries due to work injuries-total	2020	Number	0	
			2021	Number	0	
			2022	Number	0	
		rate of fatal injuries due to work injuries	2020	%	0	
			2021	%	0	
			2022	%	0	
	number of workdays lost due to work injuries	number of workdays lost due to work injuries-total	/	Day	218	
	rate of occupational injury accidents	Number of injury accidents	/	Number	9	
Rate of injury accidents per million hours worked		/	%	0.92		
Health and safety inspection methods	Expenditure on maintenance of production equipment and production safety	10000 yuan		10,084.04		

Society					
Supply chain management ¹³	Total number of suppliers in the supply chain	/	Number	551	注: ¹³ Focus on ESG management for main material suppliers, including positive battery material, negative battery material, etc.
	number of suppliers divided by region	Chinese mainland suppliers number	Number	545	
		overseas suppliers number	Number	6	
	supplier audited and assessed for environmental or social issues	frequency of supplier audited and assessed for environmental or social issues	Times/year	2	
		number of suppliers audited and assessed for environmental or social issues	Number	32	
		percentage of suppliers audited and assessed for environmental or social issues	%	69	
	suppliers audited on-site for environmental or social issues	frequency of suppliers audited on-site for environmental or social issues	Times/year	1	
		number of suppliers audited on-site for environmental or social issues	Number	6	
	number of ESG training for suppliers	/	Times/year	3	
	coverage rate of ESG training for suppliers	/	%	85	
	number of ESG training for procurement staff	/	Times/year	2	
	coverage rate of ESG training for procurement staff	/	%	93	
	situation of suppliers signing the Supplier Code of Conduct	number of suppliers signing the Supplier Code of Conduct	Number	46	
		percentage of suppliers signing the Supplier Code of Conduct	%	100	
	contracts with environmental, labor and human rights clauses	number of suppliers signing contracts with environmental, labor and human rights clauses	Number	46	
percentage of suppliers signing contracts with environmental, labor and human rights clauses		%	100		

Society				
R&D and innovation	R&D Expenses	10000 yuan	66,476	
	number of company authorized patents	Number	1,704	
	number of company valid patent applications	Number	1,043	
	number of company valid trademarks	Number	70	
Customer service	Number of customer complaints	Number	11	
	customer complaint resolution rate	%	100	
	proportion of product recall due to safety and health reasons	%	0	
	customer satisfaction	score	94.80	
Social welfare	Amount of external aid and donations	10000 yuan	605	
Governance				
Disclosure indicators		Unit	2022 Year	Remark
Anti-corruption	Number of corruption-related complaints received	Number	0	
	Number of anti-corruption training provided to employees	Number	37,367	
	Percentage of board members participating in anti-corruption training	%	100	
Information Security	information security training	Number of Employees Who Received training	Number	54,093
	suppliers subject to information security due diligence	Scope of Supplier Signing Confidentiality Agreement	%	100
		Frequency of information security due diligence conducted for third party partners	Year/times	3
	Number of information security events	Number of recognized information security events occurred throughout the year	Times	0

Feedback Form

Dear Stakeholders,

We sincerely appreciate you for taking the time to read the 2022 *Environmental, Social and Governance Report of CALB* in spite of your busy schedule. To promote in-depth communication and exchange with stakeholders and jointly push forward social sustainable development, we sincerely invite you to put forward valuable opinions and suggestions, and feedback to us through any of the following means:

Address: No.1 Jiangdong Avenue, Jintan District, Changzhou, Jiangsu Province

Telephone: 0519-68903688

Email: ESG@calb-tech.com

Option	Please mark ✓ in the according position	Remark
Overall assessment of this report.	<input type="checkbox"/> Very good <input type="checkbox"/> Relatively good <input type="checkbox"/> General <input type="checkbox"/> Relatively poor <input type="checkbox"/> Very poor	
This report comprehensively and accurately reflects the major impacts of the company on the economy, environment and society.	<input type="checkbox"/> Very good <input type="checkbox"/> Relatively good <input type="checkbox"/> General <input type="checkbox"/> Relatively poor <input type="checkbox"/> Very poor	
The response and disclosure of issues of concern to stakeholders in this report.	<input type="checkbox"/> Very good <input type="checkbox"/> Relatively good <input type="checkbox"/> General <input type="checkbox"/> Relatively poor <input type="checkbox"/> Very poor	
The information, indicators and data disclosed in this report are clear, accurate and complete.	<input type="checkbox"/> Very good <input type="checkbox"/> Relatively good <input type="checkbox"/> General <input type="checkbox"/> Relatively poor <input type="checkbox"/> Very poor	
The readability of this report, i.e. the logical main line, content design, language and format design of the report.	<input type="checkbox"/> Very good <input type="checkbox"/> Relatively good <input type="checkbox"/> General <input type="checkbox"/> Relatively poor <input type="checkbox"/> Very poor	
Other open questions		
What other information do you want to know?		
What suggestions do you have for our future reports?		

All rights reserved: CALB Group Co., Ltd.

Disclaimer

This document may contain forward-looking information, including but not limited to financial, operating, product line, new technology and other information about the future. Due to many uncertain factors in practice, the actual results may differ greatly from the forecast information. Therefore, the information in this document is for reference only and does not constitute any offer or commitment. The company may modify the above information without notice.



This publication uses
FSC Certified recycled paper
Printed volume



Scanning two-
dimensional code
More highlights

CALB 中创新航

400-016-9588
www.calb-tech.com