

2023

SUSTAINABILITY REPORT

EVE ENERGY CO., LTD.



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Organizational Scope

Unless otherwise specified, the information disclosed in this report covers EVE Energy Co., Ltd. (hereinafter referred to as "EVE", the "Company" or "we") and EVE-controlled subsidiaries, consistent with the scope of the consolidated financial statements of EVE (300014.SZ).

Reporting Framework

EVE upgrades its CSR Report to the Annual Sustainability Report starting in 2023, comprehensively responding to the expectations and concerns of its stakeholders regarding its sustainable development initiatives. The report is prepared in accordance with *Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No. 2 - Standardized Operation of Companies*

Reporting Period

The reporting period is from January 1, 2023 to December 31, 2023. To make the report more comprehensive, the time frame of some content is properly extended. The reporting period and issuance of this report are aligned with the annual report.

Listed on the ChiNext Market (revised in 2023) and based on the particular situation of the Company and is also in accordance with the Global Reporting Initiative's (GRI's) "Sustainability Reporting Standards" (2021), the United Nations' Sustainable Development Goals (SDGs) and other reporting guidelines and standards.

Reliability Commitment

We promise that there are no false records, misleading statements, or material omissions in the report.

Data Source

The financial data in the report is sourced from the 2023 annual report of EVE, which has been audited by RSM (Special General Partnership). Other data is sourced from the statistical summary and public materials of our relevant departments. Unless otherwise specified, the monetary amounts involved in the report are measured in RMB.

Form of Release

Following the environment-friendly philosophy, the report is released in electronic version. Readers can download and read it on Company's official website (www.evebattery.com) or relevant page of the Shenzhen Stock Exchange (SZSE). For more information, please contact us via the email address below. The report is published in both Chinese and English. In case of any discrepancies between the two language versions, the Chinese version shall prevail.

Contact Details

EVE Sustainability Committee
Address: 38 Huifeng 7th Road, Zhongkai Hi-Tech District, Huizhou
Tel:+86-0752-5707101
Email: Sustainability@evebattery.com

Thank you very much for taking the time to read the report. We welcome any opinions and suggestions by mail, email, or phone.

02 Message from the Chairman



At the end of 2023, the first-ever agreement on transition from fossil fuels was reached and the Global Decarbonization Accelerator (GDA) was launched at the United Nations Climate Change Conference (COP28). The COP28 made it clear that by 2030, the transition to clean energy would be accelerated. Energy revolution and transition are speeding up quietly. The global energy transition has shifted from a period of initial momentum accumulation to a period of comprehensive acceleration, and a new global energy and industry system is also being restructured at an accelerated pace.

The future is coming, and we are advancing towards our goals. In the new round of energy transition and green economic development, EVE has always been following its original aspiration to “make the best lithium batteries in the world” and has truly “become an industry leader”. In 2023, EVE ranked third globally in terms of energy storage battery shipment and was listed among the top 10 in power battery shipment. It has ranked first in China in terms of sales and export volume of primary lithium batteries for eight consecutive years since 2016. EVE has formed a business structure where consumer batteries, power batteries, and energy storage batteries grow neck by neck, and has become a lithium battery platform company with competitive edges around the globe.

EVE improves quality with innovation and promotes innovation with quality. EVE has never stopped innovating. We focus on technologies in developing large cylindrical batteries and large LFP batteries, insist on focusing our own R&D while adopting technologies through multiple approaches. In 2023 alone, through technological innovation, we launched a new generation of MB-series energy storage products, achieved mass production and loading of 46-series EV-cylindrical batteries, and released seven major medical battery solutions to protect lives with technology. Besides, the implementation of many cutting-edge technologies such as solid-state batteries, sodium-ion batteries, and hydrogen, are being accelerated.

Being reliable, EVE is growing green and pursuing excellence. EVE takes the initiative to promote carbon peaking and carbon neutrality, and achieves continuous reduction of carbon intensity by means of increasing the proportion of renewable energy use (green electricity traceability), ultimate manufacturing, and smart manufacturing. By pursuing extreme efficiency, our work efficiency has increased by 30% after digital upgrade, compared with 2022. Through extreme management, our raw material loss per unit product has been reduced by 46%, material consumption loss by 29%, and comprehensive energy consumption per unit product by 9%. We are building a green, low-carbon and sustainable value chain by means of green supply chain management, responsible sourcing, green transportation, and adjacent sources of supply. To pursue extreme carbon reduction throughout the product life cycle, EVE has also built a chain of circular economy consisting of “waste lithium batteries - chemical materials - battery materials - lithium batteries”, to create a “cradle-to-cradle” green closed-loop.

There are only enterprises of the times, but there is no era of enterprises. EVE’s rapid growth cannot be achieved without the historical opportunities brought by the times or without the trust and support from the society. Only by keeping corporate development in alignment with the trends of the times and integrating it with social responsibilities can sustainable development be achieved. Therefore, we have always insisted that we should strive to do “things that the country encourages, the society needs and help employees to grow”, including industry driving, social undertakings, community services, corporate governance, employee growth, humane care, etc.

After 23 years of hard work, we become more determined in pursuing our original aspiration. EVE’s vision is to “make outstanding contributions to sustainable development”. In the fight against global climate change, energy is the main battlefield where the battery industry must be a vanguard and a pivot industry for energy transition and green economic development. We will continue to adhere to the concept of sustainable development, work with eco-partners to help achieve the goal of carbon neutrality, and make contributions to the sustainable development.

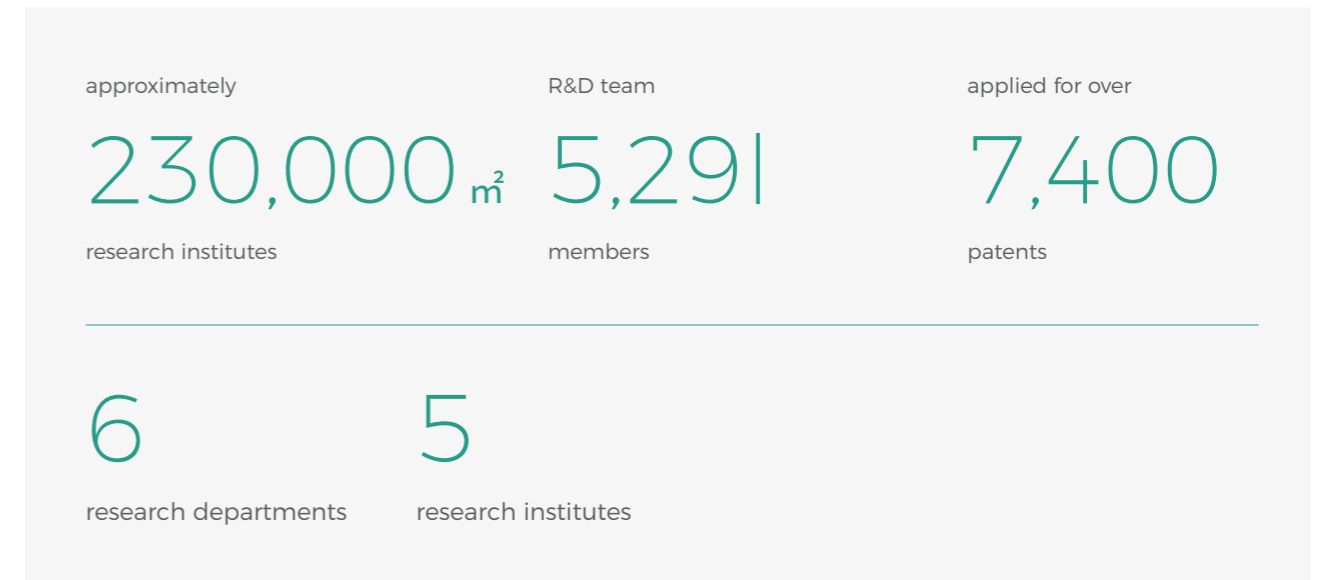
Dr. Jincheng Liu
Chairman, EVE Energy Co., Ltd.

Company Profile

Founded in 2001, EVE was first listed on Shenzhen GEM in 2009. EVE is now a globally leading high-quality lithium battery company, covering four major business segments: consumer batteries, power batteries, energy storage batteries, and industrial chain strategic collaboration. Batteries are widely used in the fields of the IoT and the Energy Internet. With more than 27,000 employees around the world and the ability of "global manufacturing, global delivery, global service", EVE is committed to be the most creative lithium battery company, and make outstanding contributions to sustainable development. (Stock code: 300014)



EVE is committed to driving development through technological innovation, with approximately 230,000m² of research institutes and a team with 5,291 international and interdisciplinary comprehensive R&D researchers. We have established 6 research departments and 5 research institutes, covering a comprehensive battery R&D platform from lithium batteries, lithium-ion batteries, power batteries, module, equipment materials to mobile energy technology, etc.. Meanwhile, we have applied for over 7,400 patents and established in-depth cooperation with Wuhan University, StoreDot and other institutions of higher learning and research on new materials, pre-research technology and so on.



EVE insists to the concept of sustainable development and is committed to creating greener and more energy efficient products and solutions. We have been awarded as "National Green Factory", and have built a circular economy green supply chain of "Waste Lithium Batteries - Chemical Materials - Battery Materials - Lithium Batteries". Based on the "full life cycle of lithium batteries", EVE has implemented a comprehensive carbon reduction strategy. In the future, EVE will continue to take the "dual-carbon" goal as the lead ,explore technological innovation, energy management, and make outstanding contributions to sustainable development.

Vision	To be the most creative Lithium battery company, and make outstanding contributions to sustainable development
Mission	Reliable and harmonious development
Values	Pursue Excellence, Create Value, Dependability, Teamwork, Respect Individuals

Honors and Achievements

China National Intellectual Property Administration

National IP Demonstration Enterprise

China Patent Excellence Award: a lithium battery positive electrode, a lithium battery and a preparation method thereof

All-China Federation of Industry and Commerce

No. 355 among China's top 500 private enterprises in 2023

Ministry of Industry and Information Technology

Industrial Product Green Design Demonstration Enterprises

Department of Ecology and Environment of Guangdong Province

An Enterprise with Outstanding Contribution to Reduction of Pollution and Carbon Emissions in Guangdong Province in 2022

The People's Government of Huizhou City

Quality Award of Huizhou Government

Ulink Media

China's Top 100 IoT Enterprises in 2022

Shenzhen Internet of Things Industry Association

IOTE 2023 "Gold Award" Innovative Product

Shenzhen Gaogong Consulting. Co., Ltd.

2023 GGLB Golden Globe Award-Enterprise of the Year

The above list is not exhaustive, only including key honors and awards that the Company received in 2023 and the recent past.

Market Recognition

The Company has established good cooperative relationships with a number of enterprises and is trusted and recognized by customers. The Company won a number of honorary titles and awards, such as Strategic Partner, Outstanding Supplier, and Partner Excellence Award.



China Automobile Power Battery Industry Innovation Alliance

Global Top 15 Enterprises of Outstanding Contribution to Industry Development

The 8th International Summit on Power Battery Application (CBIS2023)

Annual Influential Enterprise

Bloomberg New Energy Finance (BNEF)

Bloomberg New Energy Finance Tier1 storage manufacturers in the first quarter of 2024

Gaogong Energy Storage

2023 GGES Golden Globe Award-Enterprise of the Year

China Energy Storage Network

2023 Most Influential Enterprise in China's Energy Storage Industry

EESA Energy Storage Leader Alliance

2023 Best Energy Storage Battery Supplier

GoldenBee ThinkTank & China Sustainability Tribune

Impact · Pioneering Enterprise

Strategic Agreement

The Company has signed strategic cooperation agreements with many government organizations and enterprises.



01

Consumer Batteries

Primary Lithium Batteries

Lithium-ion Batteries

Cylindrical Cell



02

Power Batteries

Cell

Module

BMS

System



BUSINESS SEGMENTS

03

Energy Storage Batteries

Large LFP Cell

Prismatic LFP Cell

Cylindrical LFP Cell

BMS, Pack, System



04

Supply Chain Integration

Nickel, Cobalt and Lithium

Battery Core Materials



Global Manufacturing · Global Delivery · Global Service



5

R&D center

Huizhou Guangdong, Jingmen, Wuhan Hubei, Shanghai, Chengdu Sichuan

8

Sales Company and Office

China: Beijing, Changzhou Jiangsu, Hongkong, Taipei
Oversea: Germany, USA, Malaysia, Singapore

14

production Site

China: Huizhou Guangdong, Jingmen Hubei, Wuhan Hubei, Ningbo Zhejiang, Qidong & Yancheng Jiangsu, Longquanyi & Jianyang Chengdu, Yuxi & Qujing Yunnan, Shenyang Liaoning
Oversea: Hungary, Malaysia, USA

Events of 2023

- The building of "60CWh Super Factory" commenced.
- New LFP cell products for passenger car were launched.

February

- The mobilization meeting for the concentrated commencement of key projects of Liaoning Province in the first quarter of 2023 and the groundbreaking ceremony for the EVE Energy Storage and Power Battery Project were held in Shenyang.

March

- 21700 40PL Tabless Cell and 21700 58E High Capacity Energy Cell were released.

April

- EVE announced to build a battery factory in Debrecen, Hungary.
- EVE formally signed a Memorandum of Understanding for the purchase of land for the factory in Malaysia.
- The 25.8MWh distributed energy storage operation project in cooperation with Hisense Group was put into operation.

May

- EVE signed a strategic cooperation agreement with Powin and American Battery Solutions (ABS), achieving strategic cooperation totaling 23GWh.
- EVE formally established the Medical Battery Division.

June

July

December

- EVE Singapore was officially unveiled and established.
- The unveiling ceremony of EVE's regional headquarters in East China was held, marking the completion of EVE's first regional headquarters.
- EVE's "Linju" series of batteries were released.

November

- China's first high-power new energy electric switch engine equipped with EVE's battery system rolled off the production line.
- Two electric vessels equipped with EVE batteries successfully set sail: "Hua hang xin neng 1" and "Yuetong Pearl River 001".

October

- The first batch of equipment of the second phase of the 14th factory is officially entered.
- EVE signed a tripartite cooperation agreement with Electrum and GWKC.

September

- EVE signed an agreement with Electric Power, Daimler Truck and PACCAR to co-finance a joint venture in the United States.
- EVE reached in-depth cooperation with Wärtsilä, and TAE Power Solutions in the field of energy storage batteries.
- EVE was nominated as a designated 12V lithium battery supplier by General Motors Corporation.
- EVE signed a memorandum of understanding with Rimac Technology to manufacture cutting-edge battery products in Europe and create a localized, sustainable EV supply chain.
- EVE's two-millionth 46-series NCM cell of high energy density rolled off the production line.

August

- EVE held Vaping Battery Industry Exchange Conference.

- EVE successfully held Lithium Battery Industrial Study Conference.
- EVE signed a memorandum of understanding with Li-Cycle to jointly build a battery life cycle value chain.

- EVE signed a memorandum of understanding with Energy Absolute, proposing that Amita Technology, a subsidiary of the latter, and the Company jointly establish a joint venture in Thailand to build a battery production base with a capacity of 6 GWh at least.

Exhibition

April



11th Energy Storage International Conference and Expo (ESIE2023)

May



Vapor Expo UK



China International Battery Fair (CIBF 2023) in Shenzhen

June

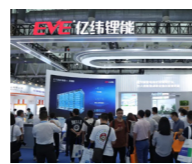


EUROBIKE 2023 in Frankfurt Germany



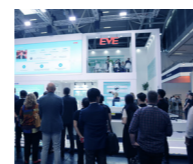
THE SMARTER E EUROPE 2023

August



EESA 2nd China International Energy Storage Exhibition

September



IAA MOBILITY 2023

September



2023 China Smart Ports Conference and Expo

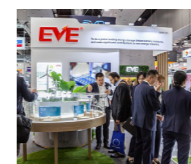


Solar Power International 2023 (RE+2023)



The Battery Show North America

October



All Energy Australia

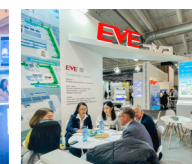


China Jiangsu International New Energy Electric Vehicle and Parts Fair

November



Enlit Asia 2023



Enlit Europe 2023

ESG Management

Upholding our vision "To be the most creative Lithium battery company, and make outstanding contributions to sustainable development", the Company responds to the global sustainable development goals and the needs of stakeholders for sustainability, and effectively runs management organizations, such as the Sustainability Committee, the Joint Conference for Sustainability, and relevant special committees, committed to integrating sustainable development philosophy into all of the company's business management activities.

During the reporting period, the Company continued to improve its sustainable development management structure and operation mechanism, fully listened to and responded to the opinions and suggestions of stakeholders, and improved its ESG management capability. In terms of ESG capacity building, the Company organized ESG-themed sustainable business strategy training for vice presidents and general managers in charge of production operation, finance, human resources, legal affairs, safety and environment protection, information technology, infrastructure, and sales functions within the organization to promote the formation of a consensus on sustainable business and commit to building sustainable leadership. In response to specific topics, it held special training sessions on environmental protection, occupational health and safety, supply chain and business ethics throughout the year for employees to popularize ESG policies and raise their awareness of sustainable development.

Employee Training Topics

-  Environmental protection
-  Occupational health and safety
-  Supply chain and business ethics



Remarks: This section focuses on responding to material topic 20, namely sustainable development strategy.

ESG Training for the Management

01

Board of Directors

- Responsibilities: Deliberating on the annual sustainability report and material sustainable development matters of the Company.

During the reporting period, the Chairman instructed to strengthen ESG management and build a working platform for carbon reduction and zero carbon emissions to lay the foundation for the Company to foster outstanding sustainable leadership.

02

Sustainability Committee

- Responsibilities: Developing and reviewing the Company's sustainability goals and roadmap, and reporting to the Board of Directors on sustainability matters of significant impacts.

During the reporting period, the committee reviewed and released 3 ESG-related policies of the Company.

Director: Chairman	Member 1	President
	Member 2	Vice President, responsible for EHS
	Member 3	Vice President, responsible for manufacturing
	Member 4	Vice President and Board Secretary, responsible for finance and daily affairs of the Board of Directors
	Member 5	Vice President, responsible for human resources
	Member 6	Vice President, responsible for supply chain
	Member 7	Vice President, responsible for R&D

03

Joint Conference for Sustainability

- Responsibilities: Developing specific plans and taking actions to achieve the Company's sustainability goals.

During the reporting period, the conference held 2 company-level meetings to plan and implement action plans for ESG performance improvement.

According to the United Nations Sustainable Development Goals (SDGs), the Company disclosed its actions for the three focuses of sustainable development. In the future, the Company will pay more attention to the 17 SDGs and 169 targets, fulfill the commitment of sustainable development, and integrate SDGs into the planning and actions of sustainability topics of business activities.

ESG Policy		
Field	Basic principles	Public policy
Labor and human rights	EVE Code of Business Conduct	Labor Rights Protection Policy
Responsible supply chain management		Due Diligence Management Policy for Responsible Mineral Supply Chains Supply Chain Due Diligence Management Appeal System
Integrity and honesty		Anti-Fraud Policy, Whistleblowing Policy Letter to Partners on Integrity Initiative
Environment, occupational health and safety		Environment Health Safety is our Priority and Unwavering Pursuit Environment Health Safety is our Priority and Unwavering Pursuit Environmental Management Policy and Commitment, Occupational Health and Safety Management Policy Commitment Life-Saving Rules
Product and quality		Risk Disclosure of Lithium Battery and Recommendation for Fire Safety

EVE's actions in response to the SDGs			
EVE's focuses of sustainable development	Actions	Details available in	Contributions to SDGs
Tackle the Climate Crisis	<ul style="list-style-type: none"> Establishing medium- and long-term carbon neutralization goals for production and operation and the value chain Upholding the philosophy of green design, and developing new technologies and products Providing new energy application solutions and services to boost global green transition Carrying out carbon emission management on all fronts and investigating the carbon emissions of the supply chain Planning and building new factories with the goal of "zero carbon" Investing more in building rooftop distributed PV in factories and electrochemical energy storage and natural gas heating in parks to increase the use of clean energy In response to overseas new regulations such as the Regulation Concerning Batteries and Waste Batteries (EU), moving faster to develop compliance capabilities, align R&D and quality management systems with the international community, and enhance the competitiveness of export products 	<ul style="list-style-type: none"> Products and Services Environmental Protection 	<ul style="list-style-type: none"> 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

EVE's actions in response to the SDGs			
EVE's focuses of sustainable development	Actions	Details available in	Contributions to SDGs
Sustainable Manufacturing Operations	<ul style="list-style-type: none"> Build a responsible and sustainable product value chain through responsible procurement, green smart manufacturing, green transportation, sustainable management and efficient use of resources. 	<ul style="list-style-type: none"> Strictly abiding by laws, regulations and business ethics, releasing the <i>EVE Code of Business Conduct</i>, and accepting the supervision of stakeholders Implementing responsible sourcing, integrating the sustainable development requirements for suppliers such as environmental protection and social responsibility into the Company's supply chain management system, and strengthening the sustainable development management of mineral resources Increasing investment in R&D and innovation for cutting-edge technologies, establishing cooperation with prestigious universities and institutions, and improving innovation capabilities Intensifying energy management and energy conservation and carbon reduction measures at the manufacturing end to improve energy efficiency Taking environmental management and pollution and carbon reduction measures for less wastewater, exhaust gas, noise and solid waste to protect the ecological environment Recycling materials at the manufacturing end for higher utilization efficiency Engaging in waste battery recycling, and working with industry partners to build a green supply chain for circular economy 	<ul style="list-style-type: none"> Corporate Governance Products and Services Environmental Protection
Corporate Social Responsibility	<ul style="list-style-type: none"> With the goal of creating shared value, we strive to seek development for our employees and contribute to society. 	<ul style="list-style-type: none"> Creating jobs and providing employees with a platform for broad growth Protecting the legitimate rights and interests of employees, explicitly prohibiting the child labor and forced labor, and opposing discrimination and harassment in workplace Providing employees with competitive salary and benefits, and establishing a fair and just performance appraisal mechanism Providing employees with a safe and healthy working environment and carrying out EAP (Employee Assistance Program) Since 2012, launching EVE Scholarship in many universities; making donations to the education foundation to support the cause of education Publishing sustainability reports regularly, and communicating the progress of the Company's sustainable development actions with stakeholders Employing local people fairly and improving their well-being Training and career development for female employees 	<ul style="list-style-type: none"> Sustainable Supply Chain Employee Care Giving Back to Society

Assessment of Material Topics

The Company conducts regular assessment of material topics. This will help not only better understand the focus of stakeholders, but also improve the integration of sustainability management with the internal and external environment and enable more pertinent actions and report disclosure. Therefore, based on the development strategy of EVE, industry trends, expectations and needs of internal and external stakeholders, and referring to relevant sustainability standards and guidelines at home and abroad, the Company evaluated and analyzed the material topics in three stages, namely identification, stakeholder survey, and assessment.

Process for identification and analysis of material topics

01 Identification of material topics

According to the UN SDGs and GRI sustainability reporting standards, the Company identified the topics covering environment, society and corporate governance by benchmarking the excellent sustainable development practices of the industry and regular communications with stakeholders. Compared with the previous report, the topic of "biodiversity" was added to respond to the concerns of stakeholders.



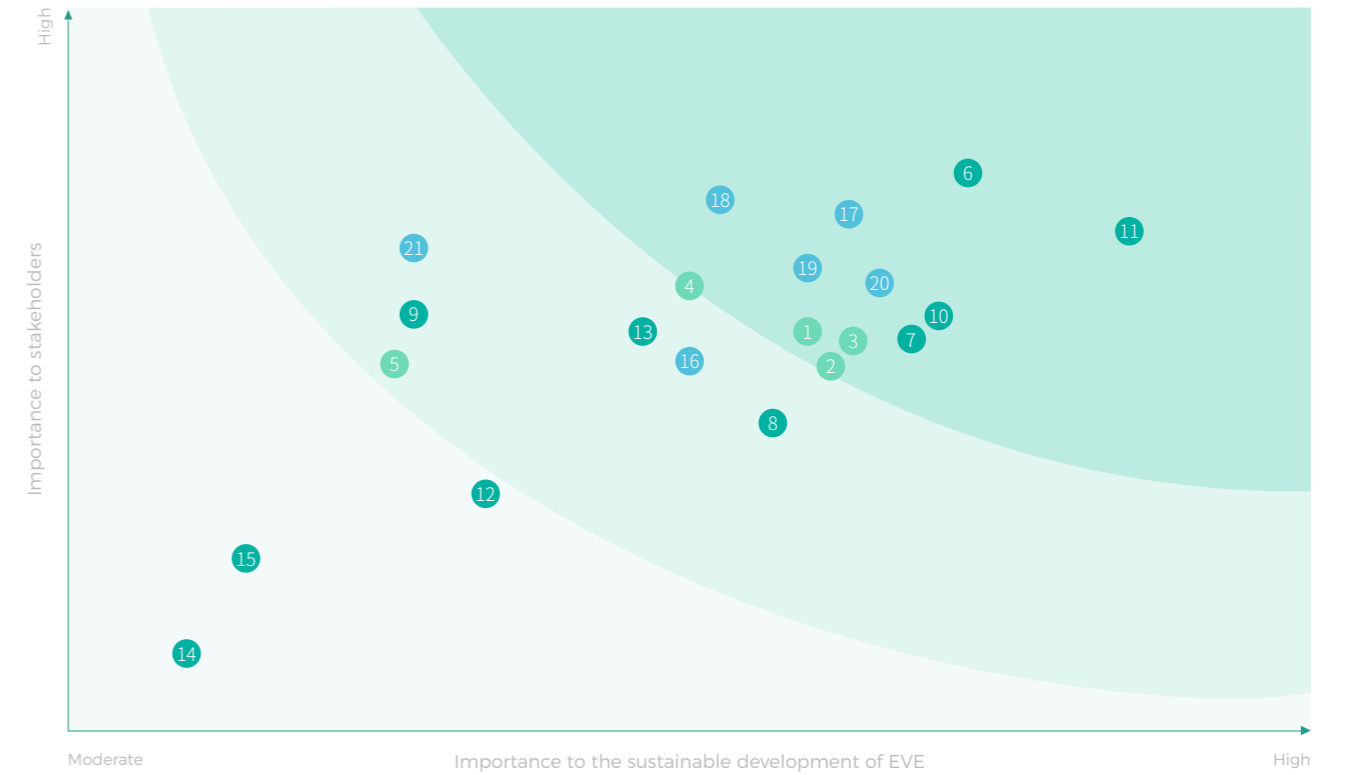
02 Stakeholder survey

We distributed online questionnaires to government and regulatory agencies, investors and researchers, customers, suppliers, partners, media associations, citizens in surrounding communities and internal employees at all levels, scored the weight of topics with the rating scale, and received suggestions from all parties on improving the sustainability practices of the Company. A total of 436 valid questionnaires were collected in this survey, and the original data of the questionnaires were classified, counted and processed, and the score of each topic was obtained as an important reference for the assessment of material topics.



03 Assessment of material topics

According to the above survey results, we rated the topics from two dimensions: "Importance to the sustainable development of EVE" and "importance to stakeholders", and formed a topic matrix, which was submitted to the Sustainability Committee for examination and approval. In the end, a material topic matrix was formed in combination with the sustainable development goals of the Company, the focal points of stakeholders and the development trends of the industry. Material topics with two-dimensional significant impact will be the priorities for response and disclosure in the report.



Environment	Society	Corporate governance
1 Resource recycling	6 Product safety	12 Training and development
2 Energy conservation and consumption reduction	7 R&D and innovation	13 Employee concern
3 Carbon emission management	8 Intellectual property protection	14 Community activities
4 Pollutant management	9 Responsible sourcing	15 Public welfare projects
5 Biodiversity	10 Employee rights and interests	16 Corporate governance
	11 Employee safety	17 Compliance operation
		18 Business ethics
		19 Risk management
		20 Sustainable development strategy
		21 Information disclosure

Communication with Stakeholders

The concerns and needs of stakeholders are helpful for the Company to effectively identify the risks and opportunities of sustainable development and improve its management. In order to keep abreast of their expectations and suggestions on sustainability performance, EVE has built diversified communication channels, and relevant business departments have maintained communication with stakeholders through a regular communication mechanism to respond to their concerns in a timely manner.

Stakeholders	Concerned topics	Response and communication channels
Government and regulatory authorities	<ul style="list-style-type: none"> 1 Resource recycling 2 Energy conservation and consumption reduction 3 Carbon emission management 4 Pollutant management 6 Product safety 8 Intellectual property protection 11 Employee safety 17 Compliance operation 18 Business ethics 	<ul style="list-style-type: none"> • Information disclosure • Correspondence • Official interview and survey • Policy consulting and implementation • Law enforcement inspection • Regulatory information platform
Shareholders and investors	<ul style="list-style-type: none"> 1 Resource recycling 7 R&D and innovation 16 Corporate governance 17 Compliance operation 18 Business ethics 19 Risk management 20 Sustainable development strategies 21 Information disclosure 	<ul style="list-style-type: none"> • Shareholders' Meetings • Information disclosure • Visit, exchange and field survey • Interaction via exchange platform • Roadshow • Official website and social media
Employees	<ul style="list-style-type: none"> 10 Employee rights and Interests 11 Employee safety 12 Training and development 13 Employee concern 	<ul style="list-style-type: none"> • Employee satisfaction survey • Trade union and employee meetings • Internal communication platforms

Stakeholders	Concerned topics	Response and communication channels
Customers	<ul style="list-style-type: none"> 1 Resource recycling 2 Energy conservation and consumption reduction 3 Carbon emission management 4 Pollutant management 6 Product safety 7 R&D and innovation 9 Responsible sourcing 	<ul style="list-style-type: none"> • Visit and communication • Customer survey and audit • Official website and social media • Mail
Suppliers and partners	<ul style="list-style-type: none"> 7 Scientific research and innovation 8 Intellectual property protection 9 Responsible sourcing 11 Employee safety 17 Compliance operation 18 Business ethics 20 Sustainable development strategy 	<ul style="list-style-type: none"> • Supplier meeting • Supplier training • Supplier audit • Survey and evaluation • SRM system • Mail
Media and industry associations	<ul style="list-style-type: none"> 1 Resource recycling 7 R&D and innovation 20 Sustainable development strategy 21 Information disclosure 	<ul style="list-style-type: none"> • Press conferences • Industry forums and exhibitions • Official website and social media
Surrounding communities and the public	<ul style="list-style-type: none"> 4 Pollutant management 5 Biodiversity 6 Product safety 14 Community activities 15 Public welfare projects 	<ul style="list-style-type: none"> • Public welfare activities • Community interaction • Official website and social media



04

Corporate Governance

Effective corporate governance is the key to enhance the competitiveness and sustainability of an enterprise. EVE builds a sound governance structure, strictly observes business ethics, and keeps improving compliance operation and risk management to reduce operational risks and provide strong support for the high-quality and sustainable development of the Company.

Topics Disclosed

- 16 Corporate Governance
- 17 Compliance Operation
- 18 Business Ethics
- 19 Risk Management
- 21 Information Disclosure

Contributions to SDGs





Sound Corporate Governance

The Company actively builds a robust corporate governance model by enhancing the governance structure, protection of investors' rights and interests, and information disclosure, improving the internal control and risk management system, and refining other key elements.

Corporate Governance Structure

The Company has built a corporate governance structure comprised of Shareholders' Meeting, Board of Directors, Board of Supervisors, and the management in strict compliance with applicable laws, and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, and the *Shenzhen Stock Exchange Self-Discipline Supervision Guide for Listed Companies No. 2-Standardized Operation of Companies Listed on the ChiNext Market*.

Shareholders' Meeting

The Company convenes and holds shareholders' meetings in strict accordance with relevant regulations, treat all shareholders equally, and create favorable conditions for them to attend the meetings, ensuring that they can fully exercise their rights and protect their interests. During the reporting period, EVE held 10 shareholders' meetings, where online voting was combined with on-site voting, and engaged professional lawyers to witness the meetings to protect the legitimate rights and interests of the shareholders.

Board of Directors

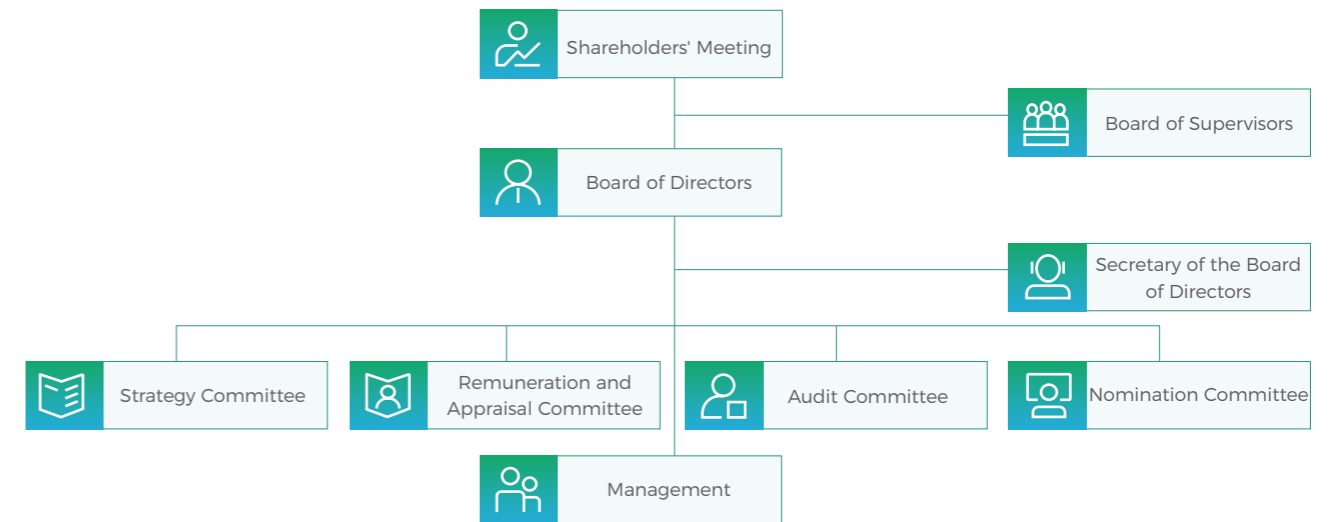
It is composed of 7 directors, including 3 independent directors and 1 chairman, and it is independent from the controlling shareholders in terms of management, business operations and financial affairs. Members of the Board of Directors have profound industry expertise and management experience, and the resume of each director can be found in the annual report. Four special committees, namely Strategy Committee, Remuneration and Appraisal Committee, Audit Committee, and Nomination Committee, have been set up under the Board of Directors to ensure the orderly operation of production and business activities. During the reporting period, the Board of Directors convened 21 meetings to review material matters of the Company.

Board of Supervisors

It consists of 3 supervisors, including 1 employee supervisor. The Board of Supervisors operates around the central tasks of improving corporate governance structure and promoting law-based and standardized operation. It effectively supervises the Company's business management, as well as duties of the directors and management. It also fully supervises the Company's law-based operations, financial conditions, external guarantees and internal controls. During the reporting period, the Board of Supervisor held 20 meetings.

Special Committees

The special committees are composed solely of directors. Independent directors, also acting as conveners, make up the majority of the Remuneration and Appraisal Committee, the Audit Committee, and the Nomination Committee. The convener of the Audit Committee must be an accounting professional. Except that the Chairman acts as director of the Strategy Committee, the directors of all other committees are independent directors, while independent directors account for two thirds of the members in all other committees. The special committees perform their duties in accordance with the *Articles of Association* and authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision making. They provide professional opinions and advice on decision-making for the Board of Directors.



Protection of Investor's Rights and Interests

Strictly abiding by relevant laws, regulations, rules and the *Articles of Association*, the Company has established a sound system to protect investors' rights and interests, designated full-time employees to manage investor relations, and provided diversified communication channels to facilitate long-term, stable, and harmonious and interactions with our investors. When managing investor relations, the Company treats all investors equally, fairly, impartially and openly, and protect their lawful rights and interests including their rights to be informed.

Through designated channels including *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, and www.cninfo.com.cn, the Company makes true, accurate, timely, fair and complete information disclosure to ensure that shareholders and other stakeholders have access to all information that may have a substantial impact on their decision-making. We appoint the Secretary of the Board of Directors to take charge of information disclosure, coordinate the relationships between the Company and investors, receive shareholders upon their visits, and answer their questions.

The investor communication channels include announcements (including regular and interim reports), shareholders' meetings, performance briefings, strategy meetings with securities companies, investor exchange, investor visits on reception days, SZSE Easy IR, email, phone consultations, mailing, media coverage, other promotional materials, roadshow, field visits and surveys, official WeChat account and website, as well as other methods provided in relevant regulations.



Business Ethics

When carrying out business activities, the Company strictly abides by laws and regulations, observes social morality and business ethics, stays honest and trustworthy, remains subject to the supervision of stakeholders, and assumes social responsibilities.

Internal Control and Risk Management

A sound internal control management system can effectively improve the management performance and risk prevention capabilities of an enterprise. We have built a risk management system according to the Three Lines Model. Serving as the first line of defense, the operation and management departments constantly improve and refine internal control in accordance with the principle of "institutionalized management, process-based institution and information-based process", and incorporates internal control and risk control into business processes. The risk protection departments such as safety, environmental protection, quality, compliance, risk, legal affairs and finance, serving as the second line of defense, supervise and inspect the implementation of the Company's internal control. As the third line of defense, the audit and supervisory departments independently and objectively confirm and evaluate the overall internal control operation and effect of the Company.

Developing the annual audit plan based on the principle of risk orientation and focusing on business areas involving major risks, important contracts, and key investment projects, the audit and supervisory departments audit procurement, sales, production, R&D, human resources, guarantee and investment, related party transactions and information systems. With 26 types of audit items (including audits of subsidiaries and important shareholding companies), they implement audits as planned, release audit reports, and follow up rectification.

Every year, the Company evaluates the effectiveness of internal control, releases the Annual Internal Control Evaluation Report, and appoints a third-party accounting firm to verify the report. During the reporting period, the Company maintained effective internal control in all major aspects in accordance with the requirements of the *Basic Norms for the Internal Control of Enterprises* and relevant regulations.

The Company has set up the Risk Management Department, developed the *Risk Management Rules*, and identified risks for all business departments through interviews, questionnaires and seminars. According to the risk control measures of various departments, the Risk Management Department makes continuous tracking, evaluates existing control status and supervises the assessment.

Based on risk tolerance and risk assessment standards, the Company identifies risk sources with company-wide engagement on an annual basis. The Risk Management Department summarizes and classifies risk information, and organizes all functions to evaluate the identified risks and formulate countermeasures. High risks are put into the standing book for regular monitoring and management, and different countermeasures are taken for management and control according to the categories of inherent risks and residual risks. It follows up the implementation of control measures for projects with high risks on a quarterly basis to ensure their effectiveness. In addition, it supervises and evaluates risk control measures and releases risk management evaluation reports. During the reporting period, the Company identified 33 key risks and worked out countermeasures.

Compliance Management

As we move faster to go global, we are faced with multiple challenges such as meeting compliance requirements, resolving legislative conflicts, and observing multi-authority regulation. In this context, being risk-oriented and upholding the management philosophy of "targeted compliance", we follow external laws and regulations in time, adjust business development and compliance management strategies, and formulate pertinent compliance requirements. During the reporting period, the Company refined the compliance management in priority areas such as export control and sanctions, outbound data transfer, personal privacy, and supply chain traceability, achieving efficient synergy with business development.

We set up a compliance management office under the Legal Affairs Center, and issued the *EVE Code of Business Conduct* from the perspective of compliance according to external policies, regulations, standards, requirements of stakeholders and our strategic needs to ensure that key compliance requirements are transparent and open to employees and the public. In addition, in context of updated international business policies, we carried out compliance traceability management for upstream suppliers, incorporated compliance with the EVE Supplier Code of Conduct into supplier management requirements, and implemented compliance due diligence procedures.

For the suspected violations found during the compliance inspection, we will follow up and deal with them according to their types. For any potential risks, we will make further due diligence on the problem and take corrective measures. If appropriate actions are not taken, or there are serious risks involved in a matter, we will escalate the matter to a higher level of management, or the non-compliant business will be closed.



Trade Compliance

The Company earnestly fulfills its responsibilities and obligations related to trade compliance in accordance with applicable customs, export control and economic sanctions laws and regulations. By analyzing industry characteristics and risk status, and taking into account business stages, the Company takes the procedures featuring advance prevention, in-process control and post-processing for specific matters. In addition, the compliance management office provides targeted trade compliance training to the sales, procurement, and R&D departments to improve the Company's capabilities to resolve compliance risks.



Data Privacy Compliance

Taking the initiative to promote compliance in the field of private data, the Company has initiated privacy data protection compliance projects in Germany and Malaysia, providing employees with 149-hour internal compliance training on General Data Protection Regulation (GDPR) data privacy protection and email use in Malaysia.



Intellectual Property Compliance

We have established a sound intellectual property management system and strict intellectual property application management process, and got the certification of GB/T29490 Enterprise Intellectual Property Compliance Management System. In the product design stage, we conduct a comprehensive study of existing technologies and related patents, and make necessary modifications according to compliance opinions. Before the products are launched on the market, we make the free-to-operate analysis to ensure that the products can be sold legally. We use and transfer intellectual property rights in strict accordance with relevant laws, regulations and industry standards to ensure that using and transferring intellectual property rights are legal, compliant and effective.

Code of Business Conduct

During the reporting period, the Company formulated and released the *EVE Code of Business Conduct* (hereinafter referred to as the Code), which provides business ethics, protection of rights and interests of labors and stakeholders, sustainable development, environmental protection, social responsibility, etc., clarifies the key areas of concern of international trade and stakeholders, and gives business conduct guidance to all employees and relevant parties performing relevant duties of the Company. The Code stipulates five basic principles and five categories of guidelines for business conduct of the Company, and can be viewed and downloaded on the official website of EVE. As a tier-1 system document of the Company, the Code requires that departments at all levels shall establish a compliance operation guarantee mechanism to help the timely publication and implementation of the Code. In addition, the Company set up a compliance consultation mailbox to provide stakeholders with consulting services to prevent or avoid violations with the Code.

The Company will regularly audit whether operations meet the business ethics, and conduct audits of business ethics at least once every three years to ensure that all business activities are carried out in accordance with the business ethics.



Anti-fraud Management

In order to prevent and control potential fraud and ensure compliance operation, the Company has kept improving anti-corruption and anti-commercial bribery systems based on the business operation to ensure high-quality and high-standard supervision. During the reporting period, the Company formulated the *EVE Code of Business Conduct*, revised the *Anti-Fraud Policy*, and *Whistleblowing Policy*, etc., and publicized them on the official website. Considering that conflicts of interest between different stakeholders may harm the interests of the Company, it has formulated the *System for Reporting Conflicts of Interest* and launched the office automation (OA) process. People who may have conflicts of interest

must report them in the OA process for effective control of potential conflicts of interest.

The Company set up the Auditing and Supervision Department, a standing anti-fraud function, and continued to refine its organizational structure. In order to make auditing in a rapid and regular manner, the department has set up an office in Huizhou and Jingmen respectively. During the reporting period, auditors and supervisors have been designated for specific duties, and the skills and performance of fraud investigation have seen further improvement.

During the reporting period, the Company further expanded cooperation with the Enterprise Anti-fraud Alliance, studied the official courses of the alliance, and exchanged anti-fraud experiences, with a focus on improving the skills and professionalism of auditors and supervisors. The Company regularly offers integrity and anti-corruption training for senior executives, employees at high-risk positions and new employees, and makes integrity training available to all employees on the official online learning platform. In addition, it regularly organizes professionals to teach legal knowledge and promote the philosophy of integrity culture, and releases the requirements of honesty and self-discipline on holidays to ensure that every participant has a clear understanding of the Company's business ethics requirements and integrity philosophy, with a view to preventing and controlling corruption risks, and building a positive and honest corporate image.

Reporting Violations

The Company encourages all employees, partners and any other sources to report violations of laws and regulations and provide effective clues. Now, the Company has a complete complaint and whistleblowing system, and publicizes the whistleblowing channels on its official website, and OA system. Relevant parties can report to the Auditing and Supervisory Department of the Company through email, letter, whistleblowing hotline, and official WeChat account.

During the reporting period, the Company added reporting mailboxes in the new factories in Huizhou and Jingmen, with an integrated electronic information platform for whistleblowing and handling complaints underway.

During the reporting period, EVE received and investigated 46 complaints, including one involving serious fraud, for which it has started internal investigation procedures. In the daily auditing and supervision, three suppliers which were found to be dishonest were blacklisted according to the relevant regulations of the Company and will never be appointed.

EVE received and investigated
46
complaints

Valuing the protection of whistleblowers, the Company issues a new edition of *Whistleblowing Policy*, which specifies the policies for protection of whistleblowers. Complainants and whistleblowers are closely protected by EVE when providing assistance in investigation. The Company bans any forms of discrimination or retaliation, or hostile measures against employees involved in the investigation.





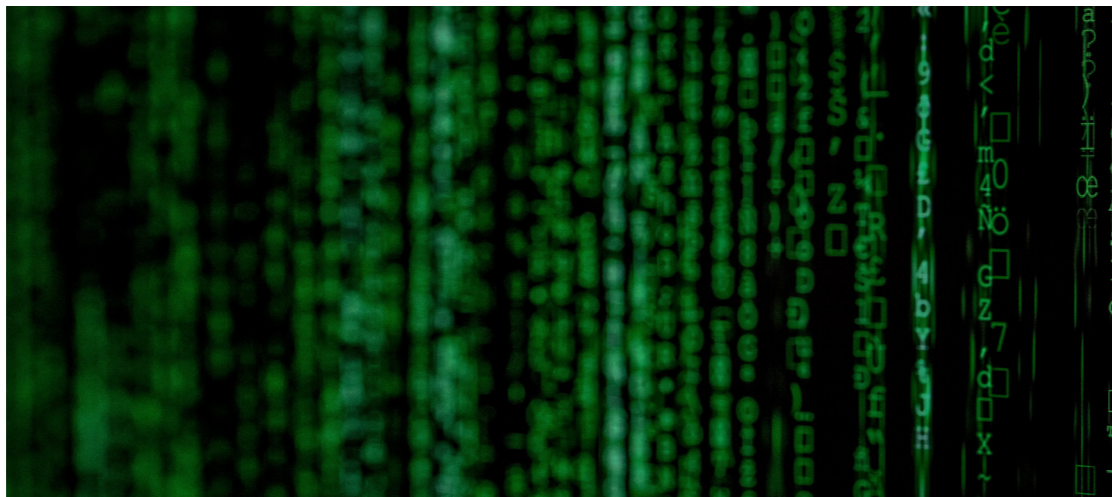
Information Security

As an important asset of an enterprise, information is related to its existence and development. Attaching great importance to information security management, the Company strictly abides by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the GDPR of Europe Union, and other laws and regulations of relevant countries and regions.

Following the information security guideline of "increasing consciousness of information security protection for guaranteeing information confidentiality, integrity and availability" and in line with the strategic objectives of the Company and international standards, we have formed a high-standard and all-encompassing information security management system that satisfies regulatory requirements.

By the end of the reporting period, EVE has got the certification of ISO/IEC 27001 information security management system, and both EVE and Huizhou EVE Power had passed AL3 (the highest level) of Trusted Information Security Assessment Exchange (TISAX).

In order to efficiently support the operation of the information security management system, we have established the Organization Structure for Operation of Information Security Management System, and formed the Information Security Committee, under which two work groups have been set up, responsible for the operation and planning of the information security system respectively. The work group responsible for the operation of the information security system operation implements the Company's resolutions on information security while the work group responsible for the planning of the information security system planning is in charge of developing and maintaining manuals and procedure documents for the information security system, and planning the introduction, internal review and management review of the information security system. In addition, the Human Resources Center has a security office to jointly carry out information security management and keep improving the security operation capability of the Company.



Information security management system

Management documents

- Institutional documents including *Management Specification for Data Security*, *Management Specification for Industrial Control Security*, *Management Specification for Information Security Exceptions*, *Special Emergency Plan for Power Environment Accidents in Computer Rooms*, *Virtual Platform Emergency Plan*, *Management System for Server Security Baseline*, and *Operation and Maintenance System for Backup and Disaster Recovery System*

Anomaly monitoring system

- Bastion host: Strictly restrict network connectivity from the office environment to the production and testing environments, in order to ensure that related operations are effectively monitored and recorded.
- Traffic analysis platform: Monitor the company-wide traffic in real time, and intercept and handle malicious traffic.
- Data encryption system: Strengthen the security protection of confidential data to prevent it from being obtained and accessed by unauthorized personnel.

Information security awareness

- New employees are required to study *Information Security*, with a coverage rate of 100%
- *Information Security* is compulsory in training courses for the management, with a coverage rate of 100%
- Information security awareness is publicized online through E-learning platform of EVE and WeChat Work, with the company-wide coverage rate exceeding 95%.

Emergency drill

- We make and implement an emergency drill plan every year, covering scenarios including failures of server hardware, server operating system, Internet line, network equipment, storage equipment, database system and information system.

Incident response process

- Minor security incidents: All incidents are recorded in detail. If they cannot be solved on time, they will be transferred to the handling process of general security incidents.
- General security incidents: All incidents are recorded in detail. Relevant internal personnel and service providers are organized for in-depth analysis and treatment if necessary. If they cannot be solved on time, they will be transferred to the handling process of major security incidents.
- Major security incidents: All incidents are reported to the information security director. The corresponding emergency plan is implemented, and the leadership, relevant departments and service providers are organized to analyze and deal with them. The incident report is submitted to the president and relevant external institutions as appropriate.

Feedback channels for information security issues

- WeChat Work, email, KK, OA, telephone

In the daily operation, the Company needs to collect and process personal information of employees and visitors for business purpose. During the reporting period, the Company was authorized by employees to use their personal information, and standardized the collection and use of employees' personal information in strict accordance with relevant laws and regulations. For visitors' personal information, the Company fully informed visitors of the *Privacy Protection Policy* through the visitor system, clarified the information protection obligations, and obtained the information authorization required for personnel entering and leaving the company area.

During the reporting period, the Company was not subject to punishment by relevant authorities for violation of laws and regulations related to information security and privacy protection, nor did it get involved in confirmed complaints related to infringement of customer privacy.



05

Products & Services

Products are the carrier of corporate value. Upholding the core values of “pursuing excellence and creating value”, EVE takes product safety and quality as the cornerstone, and it is committed to providing products beyond the expectations of society and customers.

Topics Disclosed

- 6 Product Safety
- 7 R&D and innovation
- 8 Intellectual Property Protection

Contribution to SDGs

 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
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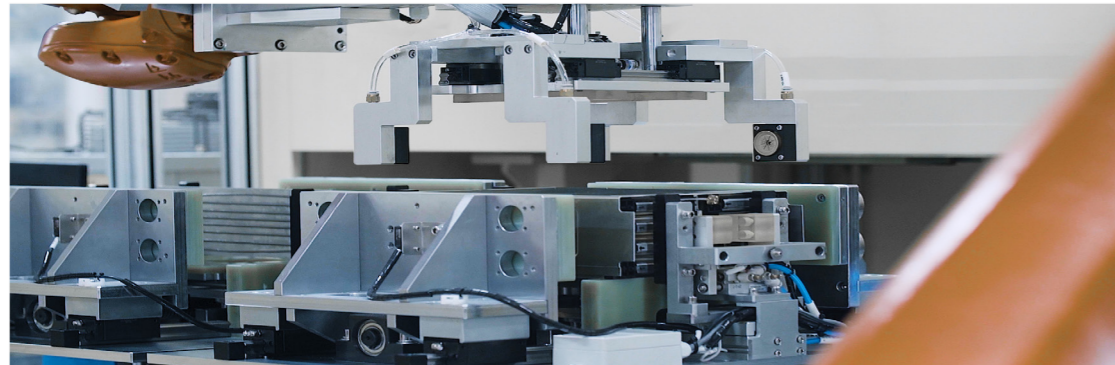


R&D Innovation

Innovation is the driving force behind the sustainable development of the Company. Since its inception, EVE has been adhering to the strategy of taking scientific and technological innovation as its core competitiveness, attaching importance to R&D investment, and it has developed a lineup of lithium batteries in all forms, providing customers with products and services of higher market competitiveness.

R&D Strength

As a lithium battery technology company, EVE stays true to its original aspiration of making outstanding contributions to sustainable development. In response to the development trends of the industry and social needs, the Company increases R&D investment to boost its own comprehensive R&D strength, and puts in a great deal of effort in new product R&D and technological reserve. EVE has established the Science and Technology Committee that is composed of six research departments and a number of research institutes, and it is committed to building a comprehensive R&D institution around electrochemical energy systems covering lithium battery, lithium-ion battery, power battery, battery system, equipment materials, and mobile energy technology.



As of December 31, 2023, EVE saw:

R&D investment RMB

4.05 billion

Ratio of R&D investment to revenue

5.88 %

R&D team

5291 members

19.35 %

Ratio of R&D personnel in the Company's total headcount

230,000 m²

of research institute

19 large-scale

R&D laboratories and pilot lines

National platforms

Post-doctoral research center, national and local joint engineering research center for key technologies and materials of lithium battery, and nationally recognized enterprise technology center

Provincial platforms

Hubei Provincial Key Laboratory of Energy Storage and Power Battery, Guangdong Provincial Lithium Battery Engineering Technology R&D Center, the 10th batch of Guangdong provincial enterprise technology center, Guangdong Provincial Key Enterprise Laboratory for Research and Application of High-Energy Lithium Battery, and Guangdong Provincial Doctoral Research Center

R&D cooperation

Wuhan University New Lithium Battery Engineering Center, safe ultra-fast charging battery of StoreDot, University of Maryland, Wuhan University, and South China University of Technology

Participation in the formulation of over

76

industry standards

including

8

national standards

In addition, EVE actively participates in various academic seminars and technical exchange meetings in the industry, exchanging its R&D achievements with industry peers to promote industry cooperation and development.



Innovation Achievements

Relying on its advanced scientific research platforms and international and systematic technical teams, EVE has developed a lineup of lithium batteries in all forms including primary lithium battery, pouch NCM cell, prismatic NCM cell, cylindrical NCM cell, and prismatic LFP cell, and has taken the initiative in making foray into the 46 series of EV-cylindrical cells and EV-LFP cell. It has ramped up investments in the 12V/48V low-voltage power supply system in NEVs and the 12V/24V low-voltage power supply system in traditional gasoline-fueled vehicles, fully implemented the program of replacing lead acid batteries with lithium batteries, and developed a reliable intelligent battery management system that matches the program. In recent years, the Company has also made breakthroughs in a number of core lithium battery technologies and actively made a foray into new technologies and products.



Mr flagship series

The Mr flagship series released by EVE is a set of the world's top energy storage products designed based on electrochemical technology and theories. Through these products, EVE succeeded in redefining ESS, the original abbreviation of the energy storage system, as "Efficient, Simple, and Safe". They are efficient, achieving 1% increase in energy efficiency for battery cells and systems and enabling RMB 3.6 million improvement in customers' operating income during the entire lifecycle. They are simple, with 628Ah large battery solution for minimalist integration, reducing the number of battery cells by 50% and realizing significant improvement in operation and maintenance efficiency. These products are well-suited for a back-to-back layout, maximizing the value of land occupancy. They are safe, with upgraded 14-micrometer separators which are covered by special coatings, achieving pack-level full-time thermal-sensitive rapid detection. Also, the product has a system-level integrated liquid cooling solution to provide multiple layers of protection and safeguard safety.



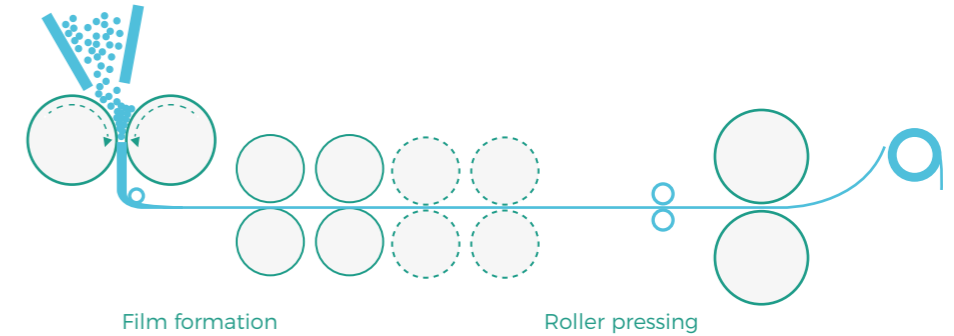
Materials technology

Sodium-ion battery: It uses fully organic anode and cathode materials and thus has the potential for natural degradation free from recycling, which is in line with the concept of green development. The electrode technology is solvent-free, thus reducing energy consumption and costs. The development of sodium-ion batteries is conducive to balancing the pressure on lithium resources.

Silicon-carbon material system technology: Silicon is an abundant element in the earth's crust. The use of low-carbon silicon-carbon materials can reduce carbon emissions by more than 20% compared with graphite. Based on the silicon-carbon cathode material with a high specific capacity of more than 2000mAh/g, 15-min fast-charging and a long cycle life of 1,500 cycles are achieved.

Process technology

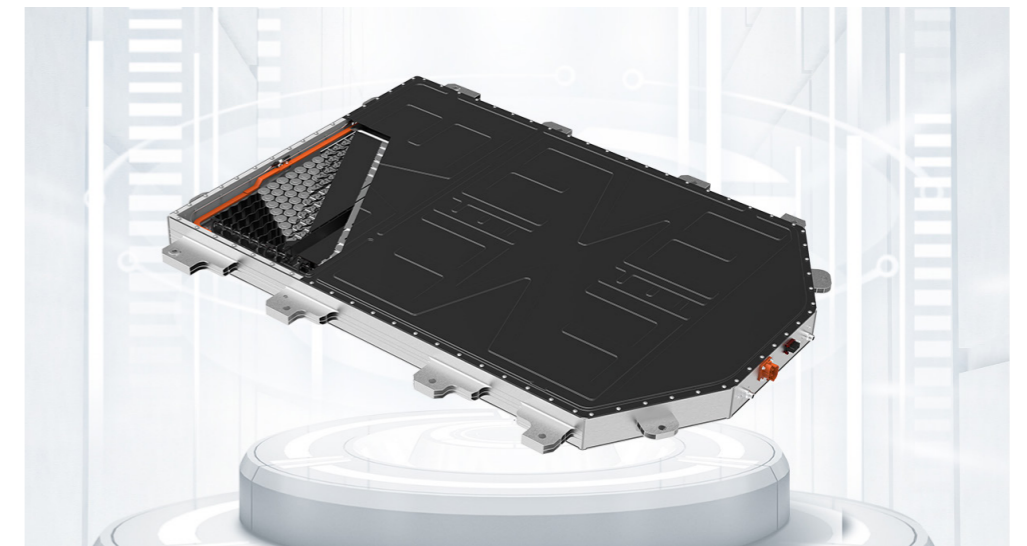
Dry electrode: No solvent is added during the electrode preparation without generating harmful gases like NMP. The preparation is more streamlined and efficient than traditional processes, with energy consumption reduced by over 50% and carbon emissions by about 27%, making it a safe and environment-friendly process.



Safety technology

Realizing the cell design for No Thermal Propagation (NTP): The Mr. flagship series designed based on the electrochemical technology theory provides protection for the core of battery safety. The use of a 14μm-thick separator and double-sided special coating is able to form an excellent thermal shutdown effect on the battery anode and cathode. When the temperature reaches the threshold, the coating particles will melt and cut off the lithium-ion reaction channel, effectively blocking hidden dangers.

Realizing the "π" battery system design for NTP: With multi-sided cooling technology, a variety of composite cooling structures are adopted to build heat transfer channels, achieving multi-directional heat transfer and thus solving the problem of excessive heat generation during the fast charging process. The design to increase the size of the pressure relief valve at the bottom of the pack enables it to eject 75% of the heat to the bottom within 5 seconds when the cell fails. The millisecond-level valve opening and pressure relief function in concert with the multi-directional cooling design of the "π" system can ensure no thermal propagation and no fire in full life cycle.



Green innovation boost the transition toward a low-carbon society

We adhere to the green design concept of being "lightweight, long lifespan, and recyclable," stay at the forefront of development in electrochemical energy, and explore new systems, technologies and methods, to provide EVE with strategic technical routes and solutions to emerging application scenarios and realize the industrialization of new technologies. We stick to the principle of simplicity in product design, insist on the practice of selecting raw materials that comply with domestic and foreign environmental standards and customer's requirements for environmental protection, and select materials with low-carbon footprint and manufacturing process to ensure that products have a long service life and high reliability, and achieve green product design.

| Case |

China's first high-power pure electric new energy shunting locomotive rolled off the production line in Zhuzhou

First

1,200 kWh

ultra-high-power liquid-cooled fast-charging battery system



On November 16, 2023, China's first high-power electric new energy shunting locomotive equipped with EVE's battery system rolled off the production line in Zhuzhou. The locomotive was tailor-made by CRRZ Zhuzhou Locomotive Co., Ltd. (CRRZ ZELC) for Lianyuan Iron & Steel Group and a large-capacity LFP power battery was used as the only power source. As the largest newly-built pure electric shunting locomotive in China now, it can satisfy the demand for railroad transportation in metallurgy, port, electric power, petrochemical, mining and other industries.

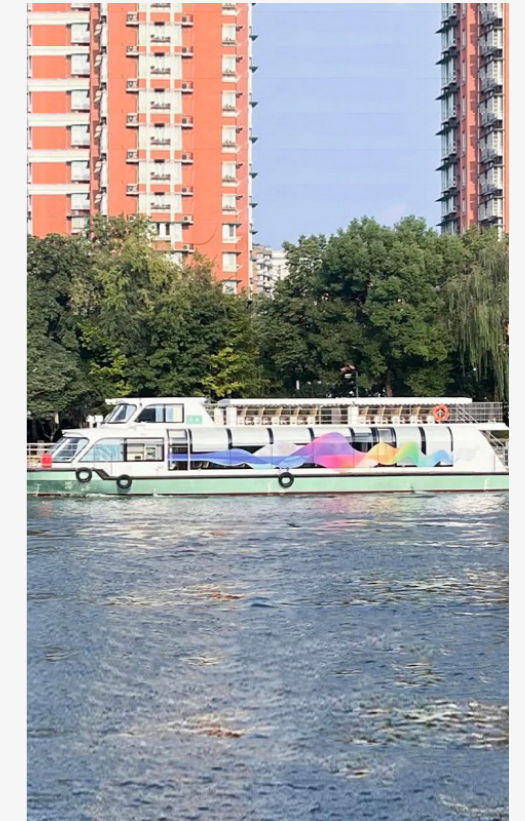
The locomotive is equipped with EVE's first 1,200kWh ultra-high-power liquid-cooled fast-charging battery system, which is independently researched and developed, designed and produced by EVE Energy from the battery cell, BMS to the system as a whole, and it can realize the "super fast-charging" of "one charge per three seconds", and it can haul 1,200 tons of cargo and run for 128 kilometers on a full charge. In terms of safety performance, a subcomponent-to-system 5-layer safety architecture, integrating technologies such as energy splitting, hierarchical protection, fire detection and automatic fire extinguishing, forms a total of "13 layers of protection" from the physical layer to the system layer, which can ensure the safety and reliability of power batteries under high-temperature conditions and throughout the entire lifecycle, and maintain a good cycle life under low-temperature conditions.

It is estimated that the green and low-carbon technological advantages of such locomotives can ensure that each unit can reduce carbon dioxide emissions by about 150 tons per year, which is equivalent to planting 8,200 trees. This is of positive significance for the future development of green land transportation, energy conservation and carbon reduction.

| Case |

EVE's marine batteries supported green Asian Games

At the 19th Asian Games Hangzhou, two green new energy vessels "Enbo" and "Warm Wave" carrying Chinese and foreign tourists set sail smoothly on the Grand Canal on September 23, 2023. Both of them were equipped with EVE's marine power batteries, which adopted LF280K long-cycle LFP cells and could effectively improve the ships' voyage ranges during their life cycle. The PACK box reached protection rating of IP67 and the BMS safety redundancy design was adopted, enabling the ships to meet the CCS safety certification requirements and ensuring the safe application of their power system under different complex working conditions. The whole-ship total lithium battery capacity was about 559.104kWh, which could drive two 55kW propulsion motors. Meeting the demand for a long voyage range, both of them achieved the goal of zero emissions, boosting positive significance for the promotion of environment-friendly travel and intelligent transportation.



| Case |

A distributed energy storage operation project officially launched

On May 23, 2023, the user-side energy storage power station jointly built by EVE Energy Storage and Hisense Group was officially launched, which would contribute a lot to the latter's reduction of energy use and costs. Invested and constructed by EVE Energy Storage, The project, with a scale of 25.8MWh, is distributed in 4 parks of Qingdao Hisense Group, namely: 8.6MWh for Hisense Refrigerator Co., Ltd., 4.3MWh for Hisense Air Conditioning Co., Ltd., 10.75MWh for Hisense Vision Technology Co., Ltd., and 2.15MWh for Qingdao Hisense Mould Co., Ltd. With various functions such as power peak shaving, peak shaving and valley filling, demand-side response and demand management, it will play an active role in power guarantee and new energy consumption while effectively improving the flexibility of power grid operation.

The user-side energy storage power station jointly built by EVE Energy Storage and Hisense Group was officially launched. The scale of the project is

25.8 MWh

Intellectual Property Protection

We put great emphasis on independent innovation and intellectual property protection, and strictly abide by the *Patent Law of the People's Republic of China*, the *Enterprise Intellectual Property Management Standards* and other applicable laws and regulations. We take "protection of technological achievements" and "prevention and control of intellectual property risks" as its intellectual property strategies. EVE has formulated internal rules such as *Intellectual Property Manual*, *Intellectual Property Protection Management Procedures* and *Intellectual Property Reward System*, taking the initiative to create, use, protect and manage intellectual property rights.

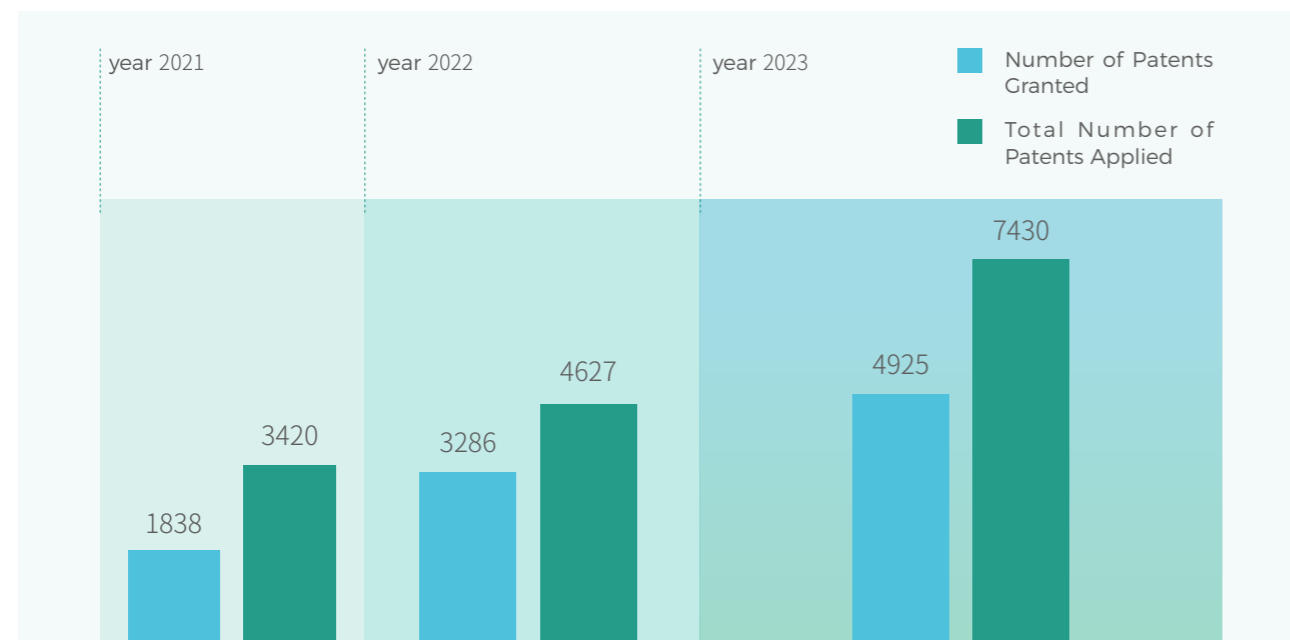


As of the end of the reporting period, EVE has passed GB/T29490 certification for enterprise intellectual property management system and been selected into the list of National IP Template Enterprises.



In 2023, the "Recognition of Key Enterprise for Intellectual Property Protection" applied by the Company has been announced, with one invention patent winning the "China Excellent Patent Award."

EVE and its subsidiaries have a total of 7,430 domestic and foreign patents granted and applied, including 4,925 granted ones.



Product Safety and Quality

EVE remains to focus on customer needs, to be extremely serious, to achieve the highest industry standards, and keeps improving the quality of products and services.

Quality Management

By identifying business processes and needs in a systematic manner, EVE has integrated 12 international advanced management standards such as IATF16949 and QC080000 on the basis of ISO9001, and established an integrated management system covering all business processes. As of the end of the reporting period, 100% of EVE's certified main companies with mature operations have passed quality system certification, and the quality system currently in operation is adequate, appropriate and effective. The Company regards "fully understanding and sensing user needs in advance, conducting high-level scenario application research, and striving to achieve 100% user satisfaction with ppb-level consistent products" as its quality strategy, establishing life-cycle quality management requirements for products.

100 %

of EVE's certified main companies with mature operations have passed quality system certification

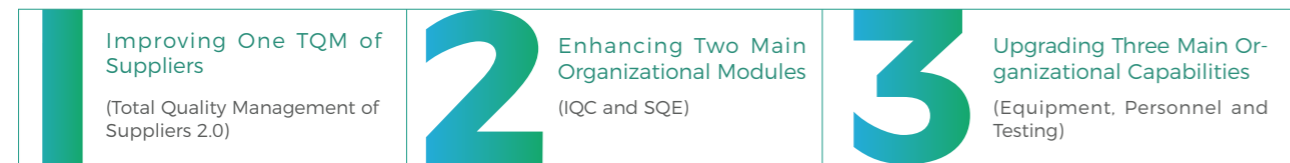


Product Development Stage

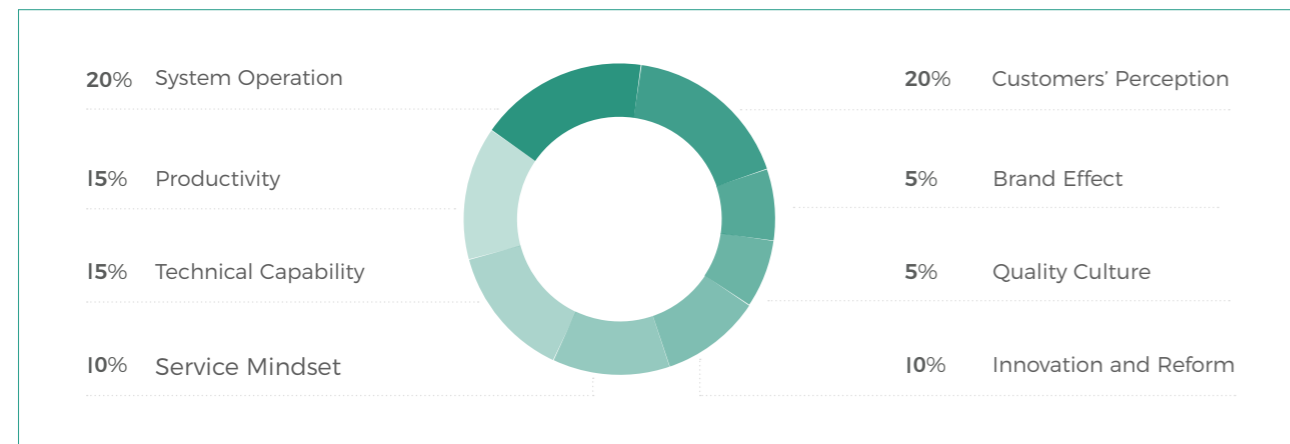
EVE has created the iron triangle of "sales, quality, and R&D," and has formulated the *Assessment Measures for Customers' Perception of Quality*. EVE fully investigates customer needs, pays attention to customers' perception of quality, and confirms demand input. In addition, EVE boasts strong R&D infrastructure and has established a new product development process relying on the IATF16949 system to convert customer needs into product needs. It initiates a project after passing project feasibility analysis and review and then carries out comprehensive test verification and product certification to ensure the quality of developed products.

Supplier Quality Management

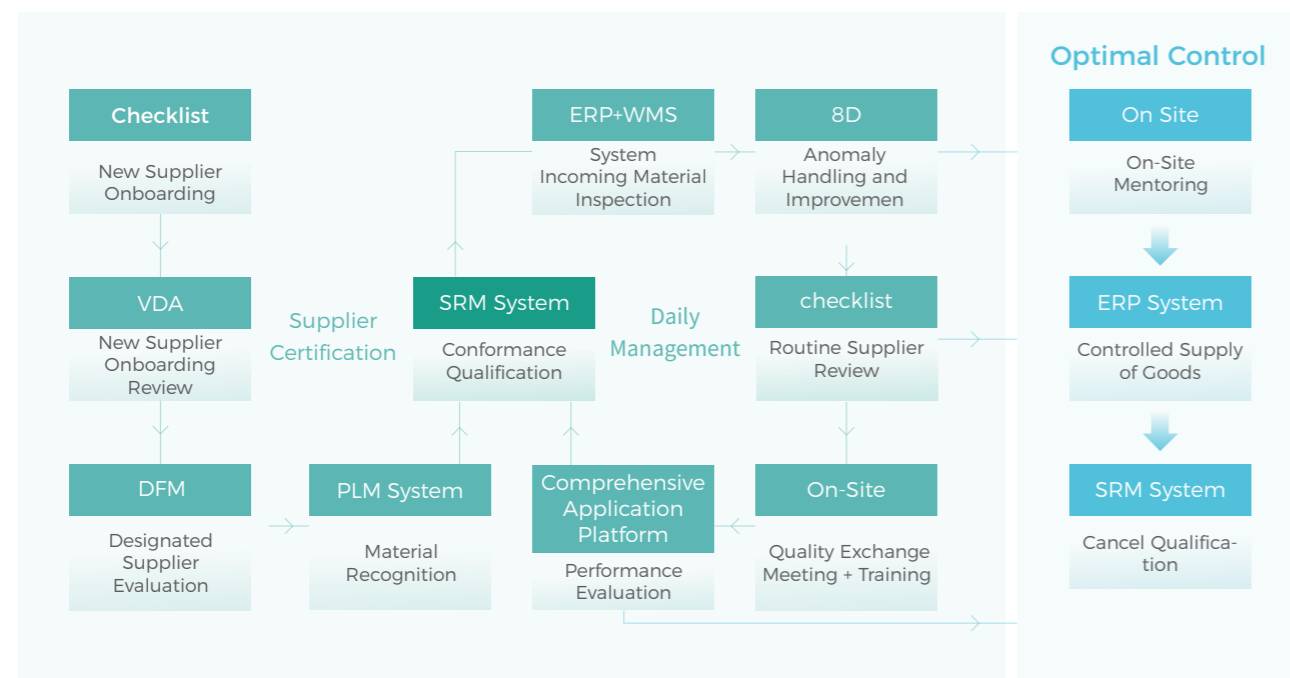
Based on the requirements of "Quality 100" and adhering to the concept of common development with suppliers, we have built a comprehensive supply chain quality collaboration model. The model specifically encompasses: the "Benchmark 100" supplier catch-up management method, supplier quality synergy "1+2+3" management model and quality synergy path. Through the quality synergy path of supplier certification, daily management and optimal control, the quality of incoming materials can be effectively guaranteed to improve the supplier quality.



1+2+3 Management Model for Quality Synergy



Portrait of benchmark suppliers



Quality Synergy Path during the Whole Process of Supplier Management

On-site Quality Management

Centering on the seven elements of "manpower, machine, material, method, environment, testing, and management" on site, and following the "no unauthorized motion" management and control requirement, we have adopted lean management requirements in all respects relying on the QMS quality information system, and built a comprehensive on-site quality management system. We implement special audits, on-site audits, and cross-audits on the manufacturing site to monitor the implementation of on-site management in an all-round manner. In addition, we seek opportunities for improvement and carry out QCC (Quality Control Circle) activities based on the PDCA cycle. During the reporting period, EVE has comprehensively improved cleanliness of workshops, upgraded the quality of product manufacturing processes, and improved the K value (the voltage drop of lithium-ion batteries per unit time) by more than 50%, thus significantly improving product quality and safety performance of delivered batteries.

In addition, we keep promoting digital and intelligent manufacturing upgrade to improve the efficiency and effectiveness of manufacturing quality management, for instance:

Workshop environment monitoring	Monitoring the environmental parameters of workshops in real time by combining sensors and the IoT technology. Predicting and evaluating the operating status and potential problems of workshops through simulation in the virtual environment.
Logistics and warehousing	Realizing logistics and transportation data visualization through application of a digital logistics and warehousing collaboration system in concert with real-time positioning, itinerary tracking, electronic fences and other logistics services.

During the reporting period, the Company carried out the research of "Quality Prediction Model and Predictive Equipment Maintenance" around 12 key processes and 13 key process quality attributes, achieved a number of digital technology breakthroughs, and effectively improved the injection process with an yield of 99.999%.

Continuous Improvement

We have established a sound three-party audit system and carry out first-, second- and third-party audits according to high standards, strict requirements and "Quality 100" to ensure comprehensive and in-depth monitoring and review of the management system and guarantee the adequacy, effectiveness and continuous improvement during system operation.

In 2023, we comprehensively carried out special activities for quality improvement, set a goal for comprehensive yield improvement, and mobilized all employees within the manufacturing system to tackle difficult tasks and take actions for improvement, witnessing remarkable achievements.

Quality Culture

EVE has established a quality academy to provide customized training for personnel within the quality system, covering quality tools/methods, leadership and other modules, to improve the overall caliber and professional skills of the quality team in a systematic manner. During the reporting period, the Company conducted 195 quality management training sessions for over 600 participants. Such training activities lasted for more than 400 hours, covering topics such as quality product awareness, on-site management, systems awareness, quality tools & methods, and process systems.

Product Safety

EVE has built a quality infrastructure platform, which realizes the organic integration of R&D, measurement, inspection & testing, and product certification, to fully ensure product safety.

During the stage of new supplier onboarding, the Company carries out comprehensive review & assessment of product safety capability and tests product safety items on incoming materials. In the design and development stage, the product design team identifies product safety attributes based on FMEA, customer needs, product application scenarios, and the legal requirements of manufacturing locations, places traversed during transportation, and sales destinations, and converts them into design and process attributes to formulate the design plan and verification method that meet the safety attributes.

The Testing Center conducts testing in accordance with the verification standards for product safety attributes, encompassing four dimensions: materials, electrical performance, environmental performance, and safety performance. Relying on the QMS system, it implements all-round IT-based management of measuring

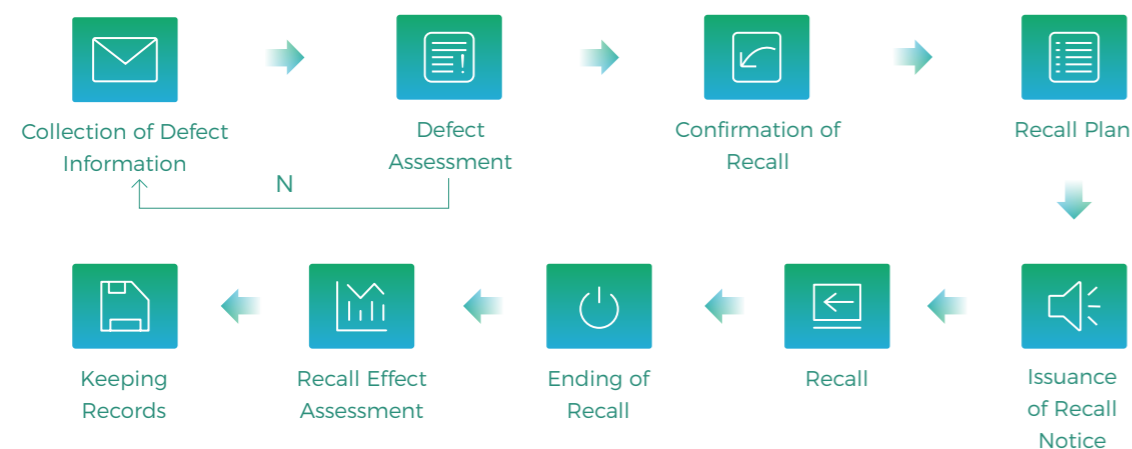
instruments, and gives priority to internal calibration while using external calibration as a supplement to ensure the accuracy of testing.

EVE formulated the *Product Certification Management Regulations* and established a full-process certification management system of review, certification, and case closure. The Company has passed more than 35 types of product safety certifications in major countries or regions such as U.S., Canada, Japan, and South Korea, promoting quality upgrade in product design and development.

In order to prevent environment-harmful substances from entering products, EVE has established a management system for harmful substances and implemented the *Operational Control Procedure for Harmful Substances* to ensure that products manufactured by the Company comply with applicable laws, regulations and customer requirements. As required by customers, we cooperated with third-party organizations to certify the corresponding products and obtained RoHS\REACH\HF and other test reports. During the reporting period, there was no case of exceeding the standards for the management and control of harmful substances at EVE, nor violation involving EVE's products and services which had a negative impact on health and safety.

Product Recall Management

EVE has developed the *Product Recall Management Procedure* to define recall levels, the members and responsibilities of the recall team, and standardize the management process and methods for product recalls due to defects. As of the end of the reporting period, there has not been any recalls due to product defects at EVE.



Customer Service

EVE insists on implementing a market-oriented and customer-centric culture, and deliver high-quality products and fast and professional services to customers, thus gaining a high level of customer trust.

Customer Service Management

EVE focuses on customer needs and continues to improve its customer service management institutions such as the *Key Account Management Regulations*, *Customer Complaint Handling Procedures* and *Customer Satisfaction Survey Procedures*, and maintains good customer relationships by various means including market surveys, customer visits, exhibitions, emails, customer meetings, and satisfaction surveys. In addition, the Company has established a digital customer relationship management system, which enables integration of data and information and rationalized production capacity allocation to meet the requirements of customers.

In terms of handling customer complaints, EVE keeps standardizing the process of handling customer complaints and customer returns to improve the efficiency of responding to appeals of customers. It implements the "three fast" actions concerning quality, establishes work processes of refunding fast, analyzing fast, and improving fast, and conducts timeliness management & control under the "2485 principle" to quickly identify problems, make improvement, and ensure high-quality delivery.

- “ Refund fast · Analyze fast · Improve fast ”
- 2h** Make first response within
 - 24h** Take urgent measures and make the second response within
 - 48h** Analyze causes, develop countermeasures, and make the third response within
 - 5days** Implement countermeasures, verify their effectiveness and make the fourth response within
- 2485 principle



In terms of after-sales service, EVE adheres to the tenet of “wholehearted service for global users to enjoy safe travel and green energy” and the concept of “professional and reliable personnel, considerate and meticulous service, and assured and satisfied users” to establish an after-sales service system. It has obtained the National Commodity After-sales Service Compliance Certification Five-star Certificate (NECAS) and After-sales Service System Perfection Degree Certification Evaluation System Seven-star Certificate (CTEAS). During the reporting period, EVE obtained the Service Capability Continuous and Effective Verification Twelve-star Certificate (CTEAS).

EVE has a 7*24h toll-free service hotline (400-050-3628) and an after-sales service system (CSM), achieving integration of four platforms into one system. It is capable of quickly receiving and responding to customers’ after-sales service needs or problem feedback and complaints to continuously improve customer satisfaction. In addition, EVE has built a big data platform to keep strengthening data analysis, processing and application capabilities in respects of hidden danger identification and early warning and operating status monitoring. In addition, it continued to refine the strategy for remote monitoring of product operations, and has achieved early warning of battery safety abnormalities and proactive maintenance, thus effectively reducing after-sales problems. During the reporting period, the annual average score for after-sales service follow-up reached 98 points.

EVE conducts customer satisfaction survey twice a year to keep abreast of the comments given by customers of consumer, power and energy storage batteries on our technology, business, delivery, quality, pre-sales and after-sales services. In response to customer feedback, the relevant responsible departments would complete cause analysis within one week and formulate corrective and preventive measures; for customers who give a positive response, we would identify opportunities for continuous improvement, develop corresponding improvement measures and implement them.



Responsible Marketing

EVE strictly abides by the *Advertising Law of the People's Republic of China* and other applicable laws and regulations in the places of business operation, adopts a scientific and rigorous attitude, and sticks to the principle of being honest and responsible during the process of market promotion and marketing. The Company has established a complete promotion review process and management system. Marketing materials and information may not be released to the outside until they are reviewed and approved by EVE's authorized executives to ensure that they are compliant, genuine and accurate.

EVE carries out responsible marketing and promotion activities and implements the concept of responsible marketing by optimizing compliance regulations and holding regular marketing training. A marketing academy has been set up at EVE Research Institute to provide sales staff with regular training on business ethics, customer communication skills and other related content, effectively improving their awareness of preventing marketing risks.

Sales team	Project team	Pre-sales team
<p>Communicate the characteristics of products or services to customers truly and accurately, without exaggerated, false, or misleading information, to avoid causing misunderstanding or loss to customers.</p> <p>Follow the principle of fairness and justice, do not discriminate or have a partiality for any customer, do not take advantage of information asymmetry or strong position, do not manipulate the market or price, and do not engage in unfair competition or commercial bribery.</p>	<p>Coordinate project resources, supervise and inspect the progress of the project, promptly identify and resolve issues to ensure the smooth accomplishment of project objectives and prevent any negative impact on clients.</p>	<p>Fully understand customer needs, provide professional, reliable, and competitive technical solutions to enhance project acquisition opportunities.</p> <p>Plan and forecast for different market segments, uncover new market opportunities, and convert them into sales achievements.</p>



06

Environmental Protection

Upholding the sustainable development concept of “obeying the law, continuous improvement, preventing and controlling pollution, energy saving and emission reduction, and providing green products with better energy utilization efficiency,” EVE continuously innovates management and technology, actively responds to risks and opportunities in areas such as environmental pollution, climate change and biodiversity, mitigates the impact of project construction, operations and products lifecycle on the environment, and contributes to the coordinated development of environment, economy and society with high-quality development.

Topics Disclosed

- 01 Resource Recycling
- 02 Energy Conservation and Consumption Reduction
- 03 Carbon Emission Management
- 04 Pollutant Management
- 05 Biodiversity

Contribution to the SDGs





Response to Climate Change

It is an extensive and profound systemic reform for the economy and society to peak carbon emissions and achieve carbon neutrality. We are consistent in pursuing the development vision "To be the most creative lithium battery company and make outstanding contributions to sustainable development," and firm in contributing to China's "3060" goals and global net-zero goals. We regard the carbon peaking and carbon neutrality as one of our key development strategies and have set mid- and long-term goals to gradually reduce carbon emissions in our own operations and value chain. While promoting our own carbon reduction, we will guide the industry to move toward more sustainable development pathways.

Therefore, EVE has made the following commitments to low-carbon development: to achieve carbon neutrality in operations by 2030 and across the core value chain by 2040. Upholding the principle that carbon emission reduction surpasses carbon offsets, the Company will reduce organizational carbon footprint by saving energy and improving efficiency in production, developing green products, adjusting the energy con-



Climate Commitment

Achieve carbon neutrality in operations by 2030

Achieve carbon neutrality across the core value chain by 2040

sumption structure, establishing a green supply chain, and leveraging carbon removal measures, to reduce the need for carbon offsets and ultimately achieve the goal of carbon neutrality.

Climate Change Governance Structure

In order to promote EVE's vision for sustainable development, we conduct continuous and effective management of climate-related risks and opportunities, and strive to establish an efficient and transparent governance system for sustainability topics. We have established a governance body for climate risks and opportunities (Sustainability Committee) and a dedicated management organization (Carbon Emissions Management Committee), to ensure that EVE can make appropriate and agile decisions and actions from management to execution in the face of climate change.

On the topic of addressing climate change, the Sustainability Committee review the Company's climate policies, goals and strategies. The Carbon Emissions Management Committee is responsible for implementing the Company's climate governance strategy. Composed of members from relevant functions such as R&D, procurement, manufacturing, supply chain, energy and power, and infrastructure, it is responsible for managing and supervising activities related to climate risk management and opportunity development, proposing countermeasures for climate-related risks and promoting advancement of strategic tasks.

EVE ensures that the governance and management organizations possess or develop appropriate climate-related technologies and capabilities through the "4A Management" system.



Assessment & Analysis

We comprehensively assess and analyze risks and opportunities in climate governance, including carbon emissions inventory, carbon neutrality, sustainable supply chain, and climate-related market trends and policy changes, to determine our current status and potential risks and opportunities on climate issues, which constitute a basis of strategy formulation.

Referring to the requirements of IFRS S2 Climate-related Disclosures (IFRS S2) released by the International Sustainability Standards Board (ISSB), we pay close attention to the "physical risks" arising from failure to address climate change and "transition risks" from social and economic changes that may occur in the process of implementing climate change countermeasures.



Awareness Cultivation

We raise the awareness of EVE's management and employees on climate change and related issues through training programs, workshops, and internal publicity, which helps them understand the importance of climate-related risks and opportunities and facilitate the realization of EVE's climate goals.



Award Mechanisms

We link the carbon performance indicators of each business department with accountability-based assessment while setting annual goals to motivate employees to participate in climate governance, promote employees' involvement in projects through award mechanisms, and advance the development of technology and capabilities to facilitate the fulfillment of the goals.



Advancement

We actively promote the advancement of climate-related technologies and capabilities and boost the development of innovative climate solutions. We support the R&D of new low-carbon technologies, and environment-friendly products using renewable energy to enhance our industry-leading position in technology.



CREATE Carbon Neutrality Action Plan



Management of Climate Change Risks and Opportunities

We lay great emphasis on the impact of climate change, makes comprehensive assessment of climate-related risks and opportunities, and analyzes and evaluates the impact these factors may have on our business operations, investment and development, to lay the foundation for our low-carbon transformation and sustainable development.

	Risk or Opportunity Description	Potential Impact	Action Categories	Specific Actions (including but not limited to)
Products & Services	<ul style="list-style-type: none"> With an agreement reached at COP28, participating countries committed to gradually reducing the use of fossil energy. Their governments are formulating specific goals, incentives and conditions to accelerate the energy transition. 	<ul style="list-style-type: none"> The market demand for EV and energy storage battery grows, generating more revenue. There are more green investment and financing projects and opportunities to get policy support. 	Global Development Strategy	<ul style="list-style-type: none"> We are committed to building the capabilities of "global manufacturing, global delivery, and global service," and providing multi-scenario and multi-field battery applications and solutions to facilitate the global energy transition.
Technology	<ul style="list-style-type: none"> Existing technologies or products are replaced by innovative changes. 	<ul style="list-style-type: none"> Existing technology or products are replaced, resulting in a decline in sales revenue. 	Sustainable Development Strategy	<ul style="list-style-type: none"> Technology Innovation: Focusing on the development direction of next-generation key materials and battery technologies, we strive to create leading core technologies, and realize integrated, durable and safer battery products with high energy density, to provide technical support for global energy transition.
	<ul style="list-style-type: none"> In the context of a low-carbon society, the demand for clean and efficient technologies grows, and the technological transformation cannot succeed. 	<ul style="list-style-type: none"> A higher carbon footprint of products cannot meet the requirements of customers and exports, resulting in revenue decline. 		<ul style="list-style-type: none"> Green design: Putting environmental sustainability at the core, we practice the design concept of minimizing the negative impact on the environment throughout the entire life cycle of product. We have complete processes and tools for ecological design, and carry out ecological design by taking into full consideration product characteristics and market demand.
	<ul style="list-style-type: none"> The share of renewable energy gradually increases with prices dropping gradually. 	<ul style="list-style-type: none"> It facilitates our acquisition of renewable energy resources and reduction of energy costs. 		<ul style="list-style-type: none"> Ultimate manufacturing: The concept of lean production has become part of our core culture, facilitating the exploration of opportunities for cost reduction and efficiency improvement. We promote transformation toward efficient production technologies, simplify processes, reduce energy consumption and pollution during operations, and achieve green and low-carbon production like moving toward zero waste and zero emission.
	<ul style="list-style-type: none"> With the formation of a value chain of circular economy, recycled materials replace raw materials. 	<ul style="list-style-type: none"> The scale of battery recycling grows, achieving an economy of scale, which reduces our dependence on raw natural resources and improves the resilience of our supply chain. 		<ul style="list-style-type: none"> Clean energy: We have realized the substitution of green electricity (solar photovoltaic, wind power, etc.) for part of the energy used in production, and are continuing to increase the share of green electricity used in the production process. We promote cooperation on energy projects, to reduce green power costs, and acquire green energy. Digital manufacturing: We realize the efficient operation of the value chain through digital manufacturing, and improve the overall efficiency of the industry. Green supply chain: We promote actions along the value chain both upstream and downstream to reduce carbon emissions with our influence in the industry. We actively make foray into the battery recycling business at home and abroad to promote sustainable development and resource utilization.

	Risk or Opportunity Description	Potential Impact	Action Categories	Specific Actions (including but not limited to)
Reputation	<ul style="list-style-type: none"> Failure to actively publish climate goals and response actions leads to falling short of stakeholders' expectations 	<ul style="list-style-type: none"> Damaged corporate image and reputation result in a decline in market share and revenue. 	Climate Governance Strategy	<ul style="list-style-type: none"> Disclosure of goals and actions: We publish our climate goals and the effect of our actions, incorporate carbon reduction target into our daily work, and identify values and new opportunities that have a positive impact based on the value of our business and products to society.
Geopolitical Situation	<ul style="list-style-type: none"> Climate change and energy crises may further exacerbate geopolitical tensions and the situation of regional conflicts. The escalation of regional conflicts will have an impact on global energy markets and supply chains. International trade evolves as countries seek closer or more resilient regional supply chains. 	<ul style="list-style-type: none"> The supply of raw materials and energy is disrupted or prices fluctuate, causing production costs to rise. 	Resilient Supply Chain	<ul style="list-style-type: none"> We improve the resilience and safety of the industry chain and ensure that the supply chain is independent, controllable, safe and reliable.
		<ul style="list-style-type: none"> Extreme weather events (such as heat waves, typhoons, hurricanes, floods, droughts, and extreme cold.) 	<ul style="list-style-type: none"> Disruptions to infrastructure services such as water and power result in disruptions to deliveries and increased operating expenses. 	
Extreme Climate		<ul style="list-style-type: none"> The demand for energy transition and secured energy supply systems grows, leading to growth of the power, industrial, and energy storage battery markets. 	Power and Energy Storage Battery	<ul style="list-style-type: none"> We strive to provide high-quality power and energy storage battery product solutions.
		<ul style="list-style-type: none"> Reduction in or disruptions to production capacity (such as production suspension, transportation difficulties, and supply chain disruptions), may result in inability to produce and deliver goods. 	Energy Security	<ul style="list-style-type: none"> Guaranteeing energy supply stability: We promote energy allocation, higher energy efficiency and lower costs through smart grid, energy efficiency management and control, the "solar PV, storage and battery" integrated energy and other technologies, and enhance the flexible load regulation of EVE's factories.
Policies & Regulations	<ul style="list-style-type: none"> The introduction of domestic and foreign climate-related policies and tightening of regulations, including but not limited to: <i>Action Plan for Carbon Dioxide Peaking before 2030</i> <i>Opinions on Promoting Gradual Shift from Dual Control of Total Energy Consumption and Energy Intensity to Dual Control of Total Carbon Emissions and Intensity</i> <i>EU Green Deal</i> <i>EU Batteries and Waste Batteries Regulation</i> 	<ul style="list-style-type: none"> Green trade barriers to exports may result in a decline in EVE's overseas revenue. Rising compliance costs and fees. 	Compliance Risk Control	<ul style="list-style-type: none"> Compliance risk control: We continuously pay attention to the dynamics of external policies, regulations and standards, take the initiative to communicate with stakeholders, interpret promulgated regulations and formulate response plans to satisfy the requirements of applicable policies and regulations.

Carbon Reduction Strategies and Actions

Adhering to the principle of giving priority to energy conservation and emission reduction, EVE is committed to achieving carbon neutrality through measures such as improving production efficiency, adjusting energy consumption structure and establishing a green supply chain to make contributions to society and the environment. In June 2023, EVE was honored as an "Enterprise with Outstanding Contribution to Reduction of Pollution and Carbon Emissions in Guangdong Province in 2022."

Green Design

EVE integrates green concepts into the R&D process of products, and takes "lightweight, long lifespan, and recyclability" as its design concept. The Company strives to develop leading core technologies with a focus on next-generation key materials and battery technologies to provide technological support for global energy transition. See the R&D innovation section of the report for specific cases.

Green Operation

Carbon data management

Under the guidance of our Carbon Emissions Management Committee, we have improved our carbon emission management mechanism, releasing the "Management Regulations for Organizational GHG Inventory" and the "Management Regulations for Product Carbon Footprint Inventory." Through standardized carbon inventory workflow and professional software for managing the whole life cycle of products, we made an inventory of organizational GHG emissions for nine companies under EVE¹ and carbon footprints for 26 products, and entrusted a third-party professional organization to audit the data to ensure its authenticity, comparability and effectiveness².

Factory design

With the EHS Technical Standards for Construction of Lithium-Ion Battery Factories formulated, we implemented energy-saving and carbon-reducing design standards in the construction of new factories to reduce carbon emissions during the production and manufacturing process of production lines.

Energy-saving and carbon-reducing measures

We implemented energy-saving and carbon-reducing measures in manufacturing phase. During the reporting period, we carried out 185 key energy-saving measures, saving energy amounting to 19,950 tons of coal equivalent (tce) and reducing carbon dioxide emissions totaling 96,349 tons of carbon dioxide equivalents (tCO₂e).

Clean energy

We increase the share of electricity generated from renewable energy sources through purchasing green electricity and building rooftop distributed solar PV to reduce carbon emissions. At the end of the reporting period, EVE's cumulative solar photovoltaic capacity installed was 66.7 MW, and a total of 35,802 MWh of power was generated during the reporting year, which could avoid carbon dioxide emissions of approximately 20,000 tCO₂e.

we carried out

185

key energy-saving measures

Green Delivery

Integrated Supply Chain

EVE's plant in Jingmen has implemented the strategy of selecting adjacent sources of supply by promoting suppliers of main structural components of cells, electrolytes and separators to build factories around the plant to reduce transportation distances and improve supply efficiency, which is helpful to reduce logistics costs and carbon emissions from transportation, and improve supply chain responsiveness and flexibility.



Green packaging

We explore green solutions to packaging and give priority to recyclable, degradable and lighter packaging materials. For specific cases, see the Material Recycling section of the report.

Circular Economy

In recent years, with the rapid growth of the electric vehicle and electrochemical energy storage markets, the disposal of used batteries has become one of the key issues for the sustainability of the industry. EVE sticks to promoting the development and implementation of battery recycling technologies to establish a complete closed-loop business ecosystem through the echelon use or reutilization of used batteries. We have built a green supply chain for the circular economy of "waste lithium batteries - chemical materials - battery materials - lithium batteries" joining hands with industry partners to provide society with full life-cycle solutions.



Capacity building

EVE plans to build plants for echelon use of batteries. The echelon use line can be automated and digitized throughout the entire process, enabling automatic feeding, automatic cutting, integrated freezing, automatic disassembly, automatic capacity grading and testing, as well as efficient and accurate classification and intelligent diagnosis. After sorting, the batteries are suitable for echelon use in communication and household energy storage products to maximize the economic and environmental value of retired batteries.

Industry cooperation

We have signed a memorandum of cooperation with Li-Cycle, a global leading lithium-ion battery recycling company, achieving close cooperation in resources, recycling, technology and market.



¹The organizational boundary of carbon emission inventory and verification is battery manufacturers with mature operations during the reporting period.
²The auditing of the data on GHG emissions of 9 companies under EVE and on the carbon footprint of 4 products has been completed by the third-party professional organization.



Environmental Management

EVE adheres to the environmental management policy of "obeying the law, continuous improvement, preventing and controlling pollution, energy saving and emission reduction," strictly abides by applicable laws & regulations, establishes and improves environmental management systems and implements environmental management measures. During the reporting period, the Company was not subject to any administrative penalties for violating laws and regulations on eco-environmental protection, nor got involved in any major environmental incidents or environmental problems. In September 2023, EVE released the Environmental Management Policy and Commitment on the official website for promotion to all employees and advocated all of our business partners to fulfill the environmental commitments together and jointly protect the eco-environment.

EVE has established two special committees, the Environmental Health and Safety Committee and the Carbon Emissions Management Committee, in the charge of the president, to lead the management to promote action plans for environmental management and carbon emissions management, ensure the effective implementation of various rules and regulations, and monitor and improve environmental performance. The Company has formulated the MBO Plan of Annual Sustainable Development to carry out management by objectives on the environmental compliance, pollutant emissions, resource use and other indicators of each production unit. In addition, EVE carried out a total of 73 environment-related training sessions during the year, with 100% coverage, effectively improving all employees' environmental management awareness, and the capabilities for reduction of pollutants emissions, operation of environmental protection facilities and environmental emergency response.

EVE carried out a total of

73

environment-related training sessions during the year

System Development

EVE has established and is operating an environmental management system 100% in compliance with the requirements of ISO 14001. As of the release of the report, the third-party certification of ISO 14001 Environmental Management Systems has covered 88.9% of companies under EVE with mature operations in the battery manufacturing sector, and EVE plans to increase the coverage rate to 100% in 2024⁵. All entities underway and newly established in the sector or those of other manufacturing segments will improve their system maturity as soon as possible according to the group's environmental management requirements and pass third-party system certification.

⁵EVE-Linyang plans to obtain ISO 14001 third-party certification in 2024.

Environmental Audits

During the reporting period, all of EVE's construction projects have undergone environmental impact assessment and completion acceptance in accordance with the requirements of laws and regulations concerning eco-environmental protection, with strict implementation of the "Triple-Simultaneous" environmental protection requirements and the pollutant discharge permit system for construction projects.

EVE conducts annual internal environmental system audits and management reviews on all sites with mature operations, and invites third-party certification agencies to conduct supervisory audits every year, with full-coverage certification renewal audits conducted every three years. The audits are mainly focused on the suitability, adequacy and effectiveness of management review, internal audit, non-conformity handling, risk response, target planning and compliance to ensure the effective operation of the system and improve environmental performance. EVE organized training for internal auditors of the environmental management system during its operation, and a total of 305 people were certified. During the reporting period, EVE carried out a total of 339 special environmental inspections, an increase of 34% from the previous year.

Environmental Monitoring and Information Disclosure

In accordance with applicable laws, regulations and environmental protection standards, EVE has formulated an annual environmental self-monitoring plan covering wastewater, waste gas, soil, groundwater, factory boundary noise, and waste gas in the surrounding environment, etc., carrying out environmental monitoring through self-testing, online testing and third-party testing. EVE has built supporting online monitoring equipment for noise, waste gas and industrial wastewater as well as wastewater testing laboratories to stay informed about the discharge of pollutants, and entrust qualified third-party agencies to conduct regular pollutant monitoring. During the reporting period, the monitoring frequency and results of various pollutants were in compliance with relevant standards.

In compliance with the Measures for the Administration of the Law-based Disclosure of Corporate Environmental Information and the internal Management Regulations on Environmental Information Disclosure, EVE voluntarily discloses pollution discharge information, the construction and operation of pollution prevention & control facilities, and administrative licensing information and other environmental protection administrative licensing information on its official website (<https://www.evebattery.com/disclosure>) on a regular basis. As of the release of the report, a total of 643 disclosures were made. EVE actively participates in various environmental protection activities organized by the ecology and the environment authorities and holds community open days to exchange with the general public our green and low-carbon environmental protection concepts and good practices.

During the reporting period, as EVE's Xikeng factory and its subsidiaries, EVE Power, EUE, EVE Innovation Energy, and Ningbo EVE were included in the key units under environmental supervision which were announced by the local governmental agencies of ecological and environmental supervision and protection, EVE has disclosed their pollutant discharge situation and eco-environment licensing information in 2023 in accordance with the requirements for disclosure of eco-environmental protection information. Please see Appendix for details.

Environmental Emergency Response

EVE regularly conducts environmental risk assessments based on the particular situation. Based on the assessment results, the Company has developed response plans for environmental emergencies and on-site emergency response cards, which have been filed with the local authorities for eco-environmental protection and reviewed every three years. In addition, EVE has developed and implemented annual emergency drill plans for potential environmental emergencies and purchased environmental pollution liability insurance. During the reporting period, EVE conducted a total of 283 emergency drills against environmental incidents, covering scenarios such as an abnormal condition in production wastewater treatment facilities, failure of waste gas treatment facilities, and leakage of hazardous waste.



Resource Management

EVE adopts measures for sustainable management and efficient utilization of resources to reduce the waste of energy, water resources and raw materials, reduce the impact on the environment, and achieve sustainable production and operations.

Energy Management

EVE takes energy management as an important strategic task, and regards energy conservation, efficiency improvement and renewable energy substitution as a key pathway toward carbon neutrality.

EVE actively responds to China's energy policies, abides by applicable laws, regulations and standards, and establishes and improves various internal energy management regulations, processes and mechanisms. EVE establishes and operates of an energy management system 100% in compliance with the requirements of ISO 50001: 2018. As of the end of the reporting period, the third-party certification of ISO 50001 Energy Management Systems has covered 44.4% of companies under EVE in the battery manufacturing sector with mature operations. We have a plan to add five certified new entities in 2024 to raise the certification coverage to 100%⁴. In June 2023, the "Energy Management Standardization Pilot for Lithium Battery Manufacturers in Guangdong Province" applied by EVE was awarded 2023 Guangdong Standardization Pilot Project.

Awarded
2023 Guangdong Standardization Pilot Project

Energy Target Management

The main types of energy consumed during EVE's production and operations include electricity, natural gas and steam. In order to improve energy efficiency, EVE has formulated target indicators for reducing energy consumption and incorporated the target into the performance appraisal system of each manufacturing plant. EVE's comprehensive energy consumption per unit product went down by 9% compared with 2022, and the water intake per unit product dropped by 15% compared with 2022⁵.



EVE's comprehensive energy consumption per unit product went down by

9% compared with 2022

The water intake per unit product dropped by

15% compared with 2022

⁴EVE Innovation Energy, EVE Energy Storage, Fanso, Ningbo EVE and EVE-Linyang plan to obtain ISO 50001 third-party certification in 2024.
⁵The statistical scope is EVE's mass production factories with mature operations in the battery manufacturing sector.

Energy-saving Projects

EVE has carried out a total of 185 energy conservation and carbon reduction projects, saving 19,950 tce annually and reducing 96,349 tCO₂e.

Key Project	Progress	
Establishing an energy-efficient system	Operational optimization of the dehumidification system	By optimizing the supply-demand relationship between dehumidifiers and the manufacturing workshop, and standardizing the control of the number and operating parameters of dehumidifiers under different operating conditions, a single plant in the Tonghu base can reduce 1,425-ton carbon dioxide emissions per year.
	Operational optimization of the refrigeration system	Through the transformation of cooling water and chilled water connectivity, special improvement of cooling water quality, and optimized regulation of seasonal operating condition parameters of the refrigeration system, outdoor cold source resources are fully utilized, thus improving the operating energy efficiency of the refrigeration system. EVE has optimized a total of 10 refrigeration machine rooms, which can reduce 4,633 tons of carbon dioxide emissions.
	Optimization of lighting system management	By modifying the electricity lines, adding voice-activated switches, and optimizing the control mode to avoid abnormal lighting and excessive use, the Tonghu base can reduce 653 tons of carbon dioxide emissions every year.
Production process improvement	Optimization of gas use in injection process	By optimizing and adjusting the purity of nitrogen used in liquid injection, baking and other processes, four base factories have completed comprehensive technical transformation, enabling a cumulative reduction of 4,794-ton carbon dioxide emissions per year.
Support for energy-saving projects	Horizontal promotion of energy-saving and carbon-reducing technology case bank	EVE compiled its excellent energy-saving project cases and conducted horizontal promotion to various base factories, with a total of 83 projects implemented.

Energy Data Collection and Monitoring

With the digital energy management system 2.0, EVE can use information and digital technology to collect and monitor energy consumption data of the group, divisions, factories, processes and major energy-consuming equipment in real time. The system achieves real-time online monitoring, digital analysis, prediction and early warning of energy consumption to maximize the space for energy conservation and carbon reduction in the manufacturing process and improve the lean energy management of the Company.

Training and Culture Building

EVE organizes professional energy-related skills training every year, covering energy-saving design, energy conservation of heating systems, energy-saving technology, electricity trading, electrical safety, energy digitization and management of carbon emissions during manufacturing and operations. In addition, the Company regularly holds the energy conservation publicity week to increase the participation of all employees in energy conservation and carbon reduction.

⚡ Electrician Skills Competition



⚡ Energy Conservation Publicity Week



Renewable Energy

In addition to traditional energy, EVE actively promotes the use of renewable energy, such as promoting the construction of factory rooftop PV power stations through investment and cooperation, outsourcing green power and green certificates, and continuously increasing the use of renewable energy. During the reporting period, EVE's PV power stations generated 35,802MWh of electricity in total throughout the year, reducing 20,000 tCO₂e.

EVE's PV power stations generated

35,802 MWh

of electricity in total throughout the year

reducing

20,000 tCO₂e

Management of Water Resources

EVE puts great emphasis on the management of water resources, strictly abides by applicable local laws, regulations and standards when using water, and implements plans for water resources protection and water quality monitoring and treatment to guarantee the sustainable use of water resources. During the reporting period, all the water sources of EVE as well as its factories, branches and subsidiaries that have been put into operation are from the municipal water supply system, involving no natural water bodies. EVE took the initiative to adopt water-saving measures and carry out steam condensate water recycling projects in 7 factories, which can reduce the discharge of 11,400 tons of steam condensate per month. The Company has promoted the practice in other factories.

The steam condensate water recycling projects can reduce

11,400 tons

of steam condensate per month

Material Recycling

EVE makes an active foray into the recycling of waste batteries and waste battery materials, building a green supply chain for the circular economy of "waste lithium batteries-chemical materials-battery materials-lithium batteries" in partnership with industry partners.



In the production and operation stage, EVE takes "Ultimate Manufacturing" operation system as its goal, introducing process technology transformation and lean improvement methods to improve product yield and reduce material waste during the manufacturing process.

In addition, EVE actively explores green packaging solutions, giving priority to recyclable, degradable and lighter packaging materials. For long-distance transportation, EVE adopts foldable designs to maximize the use of transportation capacity for less carbon emissions. During the reporting period, EVE reduced totally 1,266-ton wood consumption with green packaging solutions, and saw a reduction of around 225-ton carbon emissions at the transportation end through foldable design.

EPP biodegradable packaging boxes for battery module

with a 5-year circular life cycle, capable of naturally degradation

Recyclable racks for battery system

a compatible design to meet the fast switching of different PACKs; a circular life cycle ≥ 5 years; more than 30 wooden boxes reduced for a single PACK per year

Universal hoarding boxes

60% lighter than metal racks; a circular life cycle ≥ 3 years; standard size with more efficient cycling capability

Substitution of paper for wood

≥ 30% lighter than wooden boxes; capable of natural degradation or being recycled into pulp molding





Emissions and Environmental Impact

EVE strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution* and other relevant environmental protection laws and regulations and applicable environmental protection standards. EVE keeps improving the internal management system for wastewater, waste gas, noise and solid waste, sets pollutant emission reduction targets, strictly treats and disposes pollutants, improves environmental performance, and minimizes the impact of manufacturing and operations on the eco-environment.

Emissions and Waste Management

EVE's management system	<i>Regulations on the Management of Environmental Protection Facilities, the Regulations on the Management of Rain, Sewage and Wastewater, Regulations on the Management of Waste Gas, Regulations on the Management of Solid Waste, and Regulations on Noise Management.</i>
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Wastewater

Discharge types	> Industrial wastewater and domestic sewage
Pollution control facilities	> Industrial wastewater treatment stations, third-level septic tanks, oil and slag separation tanks, and integrated domestic sewage treatment facilities
Monitoring indicators	> pH, chemical oxygen demand, five-day biochemical oxygen demand, suspended solids, total phosphorus, total nitrogen, ammonia nitrogen, and total nickel, total cobalt, total manganese, and total copper from specific emission sources

Waste Gas

Emission types	> Boiler waste gas, NMP waste gas, liquid injection waste gas, cooking oil fume, dust-laden waste gas, etc.
Pollution control facilities	> Low-nitrogen burner, UV photolysis, activated carbon adsorption, spray tower, CO (catalytic combustion), bag dust collector, and dry filter
Monitoring indicators	> Total non-methane hydrocarbons, nitrogen oxides, particulate matter, sulfur dioxide, fluoride, odor concentration, ammonia, hydrogen sulfide, nickel and its compounds, hydrogen chloride, oil fume, etc.
Emission reduction target	> During the reporting period, EVE set an air pollutant reduction target of "reducing nitrogen oxide emissions per unit of production capacity by 40% in 2030 compared with 2021", and was proactive in introducing low-emission facilities in construction projects to support the achievement of the target.

Case

During the reporting period, EVE took active measures such as equipment introduction and process optimization to reduce the emission of various pollutants and solid waste. The Company promoted the upgrading and transformation of organic waste gas treatment facilities. For liquid injection waste gas, it introduced activated carbon adsorption and catalytic combustion treatment processes at four bases including Huizhou Eve Power. Compared with photooxygen catalysis, activated carbon, water spray and other processes, the two treatment processes boast higher efficiency, significantly reducing VOCs emissions.

The introduction of low-nitrogen combustion boilers into newly-built factories enables the NO_x emission limit for boilers to be equal to or less than 50 mg/m³.

The diesel-powered forklifts at EVE's factories were upgraded and replaced with electric forklifts to reduce pollutant emissions at the source, reducing NO_x emission by 1.63 t/a and carbon dioxide emission by 32.38 t/a.

Noise

Emission type	Pollution control facilities	Monitoring indicator
Factory boundary noise	Noise reduction and isolation devices	Equivalent continuous A-weighted sound pressure level

Case

EVE took a series of measures such as optimizing technical transformation, installing sound insulation and silencing devices for equipment noise from the surrounding ancillary facilities around EVE's plants, environmental protection facilities, air compressor stations, and cooling towers, and made a cumulative investment of approximately RMB960,000, effectively reducing factory boundary and environmental noise.





Non-hazardous Industrial Solid Waste

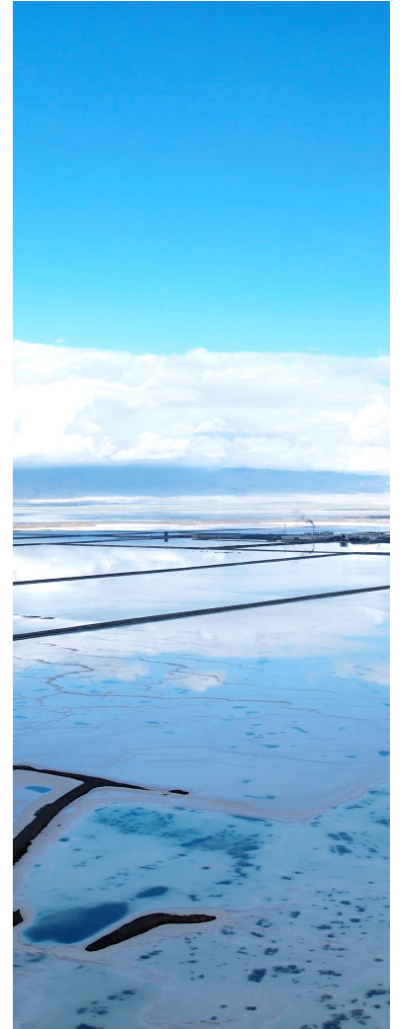
Hazardous Waste

Waste types	> Waste pole pieces, waste scraps, waste batteries, recycled NMP condensation liquid, waste packaging materials, etc.	> Waste organic solvents, waste electrolytes, waste chemical contaminants, waste glue, laboratory waste, etc.
Pollution control facilities	> Storage rooms for non-hazardous industrial solid waste	> Hazardous waste storage rooms
Disposal method	> Classified collection and recycling and reuse through relevant solid waste recycling agencies entrusted	> Entrusting qualified hazardous waste disposing agencies for disposal
Management target	> By 2026, the amount of non-hazardous industrial solid waste generated per unit product in cell manufacturing plants will be reduced by 15% compared with 2023.	> By 2026, the amount of hazardous waste generated per unit product in cell manufacturing plants will be reduced by 8% compared with 2023.

Ecological Protection

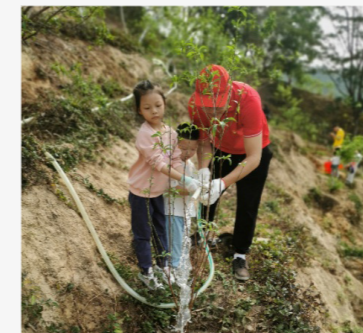
EVE lays great emphasis on the impact of the environmental factors at each factory on air, soil, surface water, groundwater and surrounding biodiversity. During the reporting period, EVE's new projects underwent strict investigation and assessments benchmarked against the *Technical Guidelines for the Preparation of Report Forms of Environmental Impact for Construction Projects (Pollution Impact) (Interim)* and the *Technical Guidelines for Environmental Impact Assessment—Ecological Impacts*, and the scope of land use involved no ecologically sensitive regions and ecological protection goals. EVE strictly adhered to the ecological red line. None of its production bases and operating locations was located in legal ecological protection zones and important ecosystem areas such as water source conservation, soil conservation, biodiversity protection, and water loss and soil erosion areas. No production, construction and operation activities caused significant impacts on soil, surface water, groundwater and biodiversity.

EVE gives priority to the use of mature industrial and commercial land and brownfield land, without seeking to develop basic farmland, forests, wetlands, oceans, ecological reserves and cultural reserves. During the site selection stage for a new factory, EVE conducts environmental due diligence and full analysis and evaluation of the air, soil, surface water, groundwater and biodiversity of the proposed site. During production and operations, EVE complies with applicable laws, regulations and environmental protection standards, regularly monitors groundwater, downstream rivers, and soil, conducts potential hazard identification, and promptly follows up on the closed-loop management for hidden hazard rectification to reduce the risk of damage to the eco-environment such as soil and groundwater pollution.



Case

On China's Tree Planting Day, EVE organized employees to participate in tree planting and carbon reduction activities in the Huizhou Honghua Lake Scenic Area to enhance their understanding of the ecological value, boost their motivation for low-carbon actions.





07

Sustainable Supply Chain

During the era of globalization, companies need to work closely with their supply chain partners to jointly implement the goals of environmental protection, social responsibility and economic prosperity. EVE is committed to transmitting the values of sustainable development and practical experience to its supply chain partners, to jointly create a responsible supply chain ecosystem and build a green high-level lithium battery industry chain.

Disclosure Issues

- 9 Responsible Sourcing

Contribution to the SDGs





Supply Chain Management

EVE has built a complete supply chain management system and formulated relevant management rules including the Supplier Management Program, the *Strategic Supply Chain Management Procedures*, the *Purchase Control Procedure*, the *Management Regulations for Supplier Performance Appraisal*, the *Management Rules for Auditing and Coaching Suppliers*, and *Management Regulations for Supply Chain Sustainability*. The Company strictly controls the entire process covering supply source searching, supplier screening, supplier onboarding certification, designation, performance evaluation, and elimination, and it is committed to consistently improving the management performance of the supply chain, while fully protecting the legitimate rights and interests of suppliers and creating an open and transparent sourcing environment.

New Supplier Onboarding Process

01 Investigation of Potential Suppliers

The Supply Chain Management Center collects supply sources through industry applications and networks or other information channels, and carries out investigation on a potential supplier regarding its basic information, quality system certification, technical information, financial information, quality control information, intellectual property rights, land certificate, real estate certificate or lease contract, etc. An agent should provide proof of agency qualifications.

The Supply Chain Management Center conducts on-site inspection to quickly understand the general situation of the potential supplier based on its operating status, project management, development process, plan management, production management, quality management, supplier management, etc., and prepares a *Potential Supplier Comparison Form*.

After sorting and comparing gathered information about potential suppliers, the Supply Chain Management Center will organize technical department and quality department to discuss and determine the list of recommended suppliers (list for onboarding), and notify relevant departments of the evaluation results.

After analyzing supplier information, supplier sourcing data, performance, costs, etc., the Supply Chain Management Center prepares a *Procurement Strategy Planning Report* to determine the strategies for the introduction, elimination, upgrading and improvement of suppliers.

02 Potential Suppliers Audit

The Supply Chain Management Center organizes the Technology Center, SQE, and PMC to review the quality system audits (QSA), hazardous substances management system (HSMS), social and environmental responsibility (SER), environmental management system (EMS), and information security management system (ISMS) of potential suppliers based on the supplier audit checklist, and prepares a *Supplier Audit and Evaluation Report*. In order to strengthen compliance and risk management, EVE adopts the practice of giving priority to suppliers with the IECQ HSPM system certification, and conducting *Assessment on the Environment-Hazardous Substance Risk of Suppliers*.

03 Signing of Agreement

Before the formal cooperation with a supplier, the Supply Chain Management Center should complete the signing of relevant agreements with the supplier, including *Business Cooperation Agreement*, *Quality Assurance Agreement*, *Supplier Integrity Commitment Letter*, *Confidentiality Agreement*, *Partner Commitment Letter for the Fulfillment of Trade Security*, *Notice of the Requirements for Social Responsibility*, *Occupational Health & Safety*, *Environmental Protection and Business Ethics*, and *Commitment Letter for No Use of Environment-Hazardous Substances*.

For a supplier who provides raw materials containing gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), tin (Sn), manganese (Mn), lithium (Li), nickel (Ni), graphite (C), mica and other types of metals or minerals, the Supply Chain Management Center should sign the *Agreement on Due Diligence Management for Responsible Mineral Supply Chains* with it and conduct *Due Diligence for Responsible Mineral Supply Chains*.

After the supplier signs the aforesaid agreements, the Supply Chain Management Center should submit a *New Supplier Approval Form*, and include the supplier in the *List of Qualified Suppliers upon approval*.

Supplier Quality Management

EVE regularly identifies risks in supplier quality and develops corresponding audit plans based on their risk levels, and the audits are performed by the team of supplier quality engineers. The auditing scope covers design, process, shipment, quality system, warehousing, education & training, measurement & calibration, hazardous substance, and social responsibility.

For qualified suppliers, EVE formulates and implements monthly supplier performance evaluation and annual audit plans, and provides them with more targeted follow-up guidance for improvement based on the audit results.

For a supplier who has posed a security threat or caused significant economic losses to the Company, the audits should be conducted at least once every two years.

For a supplier who has caused moderate economic losses to the Company, the audits should be conducted at least once every three years.

For other suppliers, audits should be conducted at least once every 5 years.

If a qualified supplier fails to meet the audit and assessment standards, or acts in violation of laws, regulations and policy frameworks, or has negative social evaluation and an adverse reputation, EVE will consider canceling its certification of conformance. If a decertified supplier is to be re-activated, re-certification is required according to the new supplier onboarding process.

Since its inception, EVE has been consistent in creating a fair, just, open, honest and clean business environment, and resisting all forms of commercial corruption affecting fair competition in the market. The Company has formulated the *Regulations on the Management of Reporting of Trade Secrets* to encourage employees through multiple channels to supervise and report violations involving trade secrets. In addition, it has signed a number of agreements such as *Business Partner Integrity Convention*, *EVE Supplier Code of Conduct* and *Confidentiality Agreement* with supply chain partners to join hands with them to create a clean business environment.



Digital Supply Chain Management

During the reporting period, EVE has developed a rapid quotation system for raw materials, which will enable online quotation and approval for suppliers regarding the procurement of raw materials, and realizes complete and clear traceability of all quote records. The system will help promote fair competition in sourcing while improving the efficiency of supply chain management. It is expected to be officially put into operation in the first half of 2024. Furthermore, the Company will subsequently upgrade and improve the supplier performance evaluation system and refine functions of the performance evaluation system for the purpose of standardizing the transmission of performance information, automatically generating multi-functional charts, and building a closed-loop tracking management system.

Supply Chain Stability

In order to ensure the stable supply of various resources in the supply chain, EVE has formulated and implemented a *Contingency Plan for Raw Material Shortages* in each product line. By establishing a safety stock of raw materials, timely activating dual suppliers, transferring goods from other product lines and updating arrival demand forecast for the next three months every month, EVE can effectively prevent unexpected losses caused by unpredictable factors such as procurement shortages or natural disasters to ensure a timely and orderly supply of materials with guaranteed quality and quantity. EVE encourages all bases to promote localized sourcing. As of the end of the reporting period, the Company's local suppliers of raw materials accounted for 21.59%[■], effectively reducing material supply risks and supporting local economic development. In addition, EVE is accelerating the source searching and layout of overseas supply chains to establish complete supply chains in overseas regions including Hungary and Malaysia.

In addition, EVE requires all suppliers to establish corresponding inspection processes and analyze key process parameters before delivery. Currently, the suppliers basically satisfy this requirement. Monitoring the process capability index (CPK) of suppliers has been included in the daily work of the quality center, and continuous mentoring and training will be carried out for suppliers with a low CPK, such as on-site mentoring and training on quality tools. For suppliers with a high CPK, the Company will tighten the supplier evaluation criteria.

In order to develop a more stable and powerful business partnership, EVE leverages its own resources and experience in the industry to empower each partner. For all suppliers especially those identified as high-risk, we conduct annual quality improvement training on the use of quality tools and biannual training on environmental management. During the reporting period, EVE carried out the third round of environmental protection knowledge empowerment training for suppliers with medium and high environmental protection risks, covering a total of 72 suppliers. The Company also conducted an online themed training session on carbon emission, involving more than 200 suppliers. In addition, it gained an initial understanding of the suppliers' carbon management capabilities through the distribution of carbon emission reduction questionnaires.

■Please see the Key Performance Table for details on description of data calculation.



Responsible Sourcing

EVE lays great emphasis on the management of environmental and social risks of its supply chain, and incorporates environmental protection, social responsibility and other supplier sustainability requirements into its supply chain management system, to collaborate with partners to build a responsible and sustainable product value chain.

Supplier screening and onboarding

EVE conducts information survey and on-site inspection over a potential supplier, then prepares a *Potential Supplier Comparison Form*, and determine the list of suppliers for onboarding upon review. Then, the Company reviews the quality system, hazardous substances management system, social and environmental responsibility, environmental management system, and information security management system of the suppliers to be admitted. It sets up a definite threshold for onboarding and scoring rules, prepares a *Supplier Review and Evaluation Report*, and conduct *Assessment on the Environment-Hazardous Substance Risk of Suppliers*.

EVE signs necessary contracts and agreements, such as *Notie of Social Responsibility*, *Occupational Health and Safety*, *Environmental Protection and Business Ethics Requirements*, *Agreement on Due Diligence Management for Responsible Mineral Supply Chains*, *Supplier Integrity Commitment Letter*, *Agreement on Due Diligence Management for Responsible Mineral Supply Chains*, *Quality Assurance Agreement*, *EVE Supplier Code of Conduct*, and *Letter to Partners on Integrity Initiative*.

Assessment and review

EVE conducts monthly performance evaluations and annual audits of suppliers.

The annual audits and evaluations of totally 231 suppliers were completed in 2023 (including environmental and social impact assessments).



Due Diligence Management for Responsible Minerals

EVE has formulated the *Management Procedures for Responsible Mineral Supply Chains* and published the *Due Diligence Management Policy for Responsible Mineral Supply Chains* on its official website. For suppliers whose raw materials contain metals or minerals such as gold, tantalum, tungsten, cobalt, tin, manganese, lithium, nickel, graphite, and mica, EVE has signed the *Agreement on Due Diligence Management for Responsible Mineral Supply Chains* with them and conducts due diligence for responsible minerals. In addition, EVE has signed the *Supplier Code of Conduct* with its suppliers, definitely requiring them to formulate clear policies or establish complete processes to avoid intentionally purchasing conflict minerals, and take reasonable measures to ensure that the metals such as tin, tantalum, tungsten, gold and cobalt contained in their products must not directly or indirectly finance or benefit armed groups that commit serious human rights abuses. The Company also requires its suppliers to conduct in-depth due diligence on the sources of and the chain of custody for these minerals and provide necessary due diligence information.

According to the *Chinese Due Diligence Guidelines for Mineral Supply Chains* issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* issued by the Organization for Economic Cooperation and Development (OECD), and the legal requirements for responsible mineral supply chains in Article 1502 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, EVE has formulated the *Due Diligence Management Policy for Responsible Mineral Supply Chains* and incorporated the above standards and requirements into the contracts and agreements executed with its suppliers. In addition, the Company incorporates the awareness of "responsible sourcing" into investigation of responsible minerals, communicate relevant knowledge to suppliers, and urge their implementation.



EVE carries out due diligence management for responsible mineral supply chains in accordance with the "five-step method", and lays down the requirements that should be met for selecting responsible suppliers of minerals, and conducts due diligence for responsible mineral supply chains on new on-board suppliers of materials containing tin, tantalum, tungsten, gold, and cobalt.

Due diligence management process for responsible mineral supply chains



EVE communicates to all suppliers relevant policies & standards, including the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, RMAP assessment standards, and the requirements for transparency and responsible supply chains.





08

Caring for Employees

Adhering to the talent strategy of "enthusiastic recruitment, dedicated training, dedicated attention and bold promotion", EVE fulfills its responsibilities as an employer, devotes itself to creating a healthy, safe, dynamic and caring working environment, and provides employees with broad career development prospects with employees for achieve common growth together with them.

Topics Disclosed

- 10 Employee Rights and interests
- 11 Employee Safety
- 12 Training and Development
- 13 Employee Concern

Contributions to SDGs





Employee Rights and Benefits

We provide employees with an equal and inclusive workplace, competitive remuneration and benefits, and enhance their sense of belonging to the Company and happiness.

Harmonious Workplace

We have established a sound human resources system, strictly abide by the *Labor Law of the People's Republic of China* and other relevant labor laws and regulations of the countries and regions where our offices are located, and formulated institutions and management systems such as *Labor Rights Protection Policy*, *Special Rules on Protection of Female Employees*, *Special Rules on Protection of Juvenile Workers*, and *Administrative Rules for Ending Child Labor and Promoting Children's Education*, to fully protect the legitimate rights and interests of employees and support their development.

We support and respect international laws and regulations related to human rights, assume our responsibilities for human rights, and do not violate the human rights of others in our business activities. When there is a negative impact on human rights, we will take appropriate remedies. We have released the *Labor Rights Protection Policy* to protect and promote the development of human rights, and implemented human rights due diligence through the *Anti-Discrimination Administrative Rules*.

We strictly abide by the laws and regulations applicable in the place where our offices are located, and standardize the recruitment and dismissal procedures. Insisting on equal employment, we ensure the consistency and objectivity of recruitment process and selection criteria, prohibit forced labor and child labor, and oppose all forms of discrimination and harassment in workplace due to race, ethnic group, social class, citizenship, religion, disability, gender, age, educational background, marital status or political relations. During the reporting period, we did not commit any illegal act such as forced labor, child labor and employment discrimination.

We have formulated the *Rules on Attendance Management*, strictly implement the *Rules on Working Hours of Employees*, standardize the management of working hours and holidays, and clarify the situations where overtime can be organized. Request for overtime work should be made in advance, and the overtime should be controlled to ensure employees get adequate rest. During the reporting period, the signing rate of employment contract with all regular employees was 100%, and the payment rate of social insurance premiums for employees who met the insurance requirements was 100%. We did not employ any dispatched workers.

During the reporting period,

the signing rate of employment contract with all regular employees was

100 %

the payment rate of social insurance premiums for employees who met the insurance requirements was

100 %

During the reporting period, we continued to improve the digital recruitment system and optimize the recruitment and employment process, and strictly checked the identity information of employees. In addition, we promoted the development and progress of human resources with our actions to play an important role in stabilizing and promoting employment. In July 2023, more than 900 fresh graduates joined the Company through campus recruitment. After training, they have worked in various positions. In November 2023, in response to the call of the People's Government of Huizhou City, we engaged in a series of live-streaming employment activities, providing jobs in intelligent manufacturing, and R&D technology, which garnered over 300,000 views in total.

Employment-related awards



Liepin: 2023 Guangdong Extraordinary Employer Awards



51Job: 2023 Top Human Resource Management-Award



Haitou.cc: 2023 the Most Influential Employer



Digital HR Association: 2023 Leading Figure of China's Digital Human Resources



Remuneration and Benefits

Incentive system

- Adhering to the principle of equal pay for equal work, EVE has a well-established remuneration incentive system and provides employees with a competitive remuneration and benefit system to fully mobilize them, attract, retain and motivate outstanding talents, and promote the sound and sustainable development of the Company. EVE's incentive system includes general incentive, special incentive and equity incentive. In 2023, the Company set up process incentives covering all employees, which were distributed to departments at all levels, which made overall arrangements of the incentives in flexible forms according to the particular situation.
- In recent years, EVE has kept deepening the equity incentive system, established a multi-level incentive structure, and built up the cohesion of employees and the competitiveness of the Company. During the reporting period, EVE implemented the tenth employee stock ownership plan and the fifth stock option to attract and retain outstanding talents and executives. Meanwhile, the performance appraisal requirements were 100% met in the second exercise period of the third restricted stock option, which motivated key and core talents effectively in terms of enthusiasm and creativity. Through various equity incentives, talents align their goals with the Company's development goals for shared benefits.

Employee benefits

- Always upholding the philosophy of "living and working happily" and "being a decent EVE member", the Company attaches great importance to employees' wellbeing, and provide them with benefits in various ways to enhance their sense of belonging and happiness. EVE has set up special funds to support team building, festival activities, friendship activities, parent-child activities, formed regular activities such as employee birthday party, annual conference and factory celebration day, and invested to build and support ten employee interest associations, regularly holding cultural and sports activities to enrich the healthy spare life of employees.
- EVE kept following the needs of female employees, retired employees and employees in financial difficulty. During the reporting period, the Company refined the *Special Rules on Protection of Female Employees*, strengthened the labor protection for female employees, set up baby care rooms in *factories*, and provided them with paid leave such as maternity leave, breastfeeding leave and parental leave. In 2023, more than 2,500 employees took parental leave, totaling more than 14,700 days. In order to give full play to the vanguard and exemplary role of female employees for their dedication, EVE granted more than 90 female employees the honorary title of "March 8th Red-banner Pacesetter", and set outstanding female role models for "self-respect, self-confidence, self-reliance and self-empowerment." EVE holds retirement ceremony and provides gifts for retirees. The retirees can establish labor relationship with the Company after going through retirement formalities according to the needs of the Company and their own will to ensure the supply of talents. The Company has set up the "EVE Family - Employee Mutual Assistance Fund" to aid employees in financial difficulty.

Non-salary Benefits for Employees



Statutory benefits

Talent allowance, social insurance, housing provident fund, paid leave (paid holidays such as national public holidays according to law)



Routine benefits

Employee birthday gifts, group dining, annual physical examination, EAP services, factory celebration activities, association activities, and child-care services in summer vacation



Festival benefits

Gifts for Spring Festival, International Women's Day, Dragon Boat Festival, CPC Founding Day (July 1st), Army Day (August 1st), Mid-Autumn Festival, etc.



Living support

Free commuter vehicles, transportation allowance, fuel allowance, hairdressing service, cafe (100 cups of free coffee/drink per day), library, gym, talent apartment, employee mutual assistance fund, exclusive group purchase discount of all kinds for employees



Fertility support

Maternity leave, pregnancy check-up leave, breastfeeding leave, and paternity leave; baby care rooms in every factory

Happy workplace moments

Cafe



Library



Psychological counseling room



Employee dormitory



Factory celebration football match



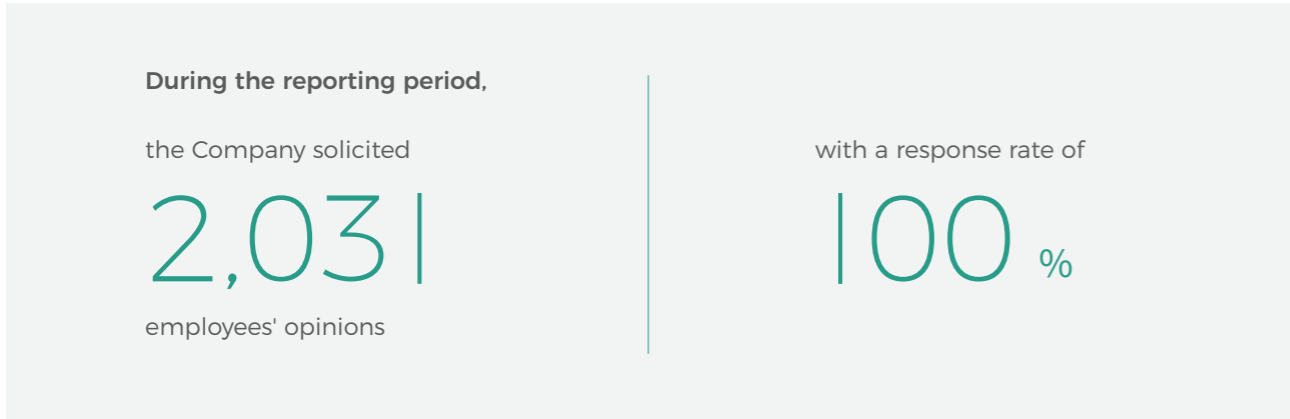
Open day for parent-child activities





Democratic Communication

EVE is proactive to build an open, transparent and democratic communication mechanism, formulate the *Rules on the Management of Employee Voice Services*, and establish a communication and feedback mechanism through multiple open channels such as EVE Life APP, employee service center, employee seminar and Chairman's mailbox. EVE respects the employees' freedom of association and rights to equal consultation. It has organizations that can represent and safeguard the legitimate rights and interests of employees and independently carry out activities according to law. Employees have the right to participate in democratic management and equal negotiation through staff meetings, staff representatives or other forms according to law, and the Company ensures that no retaliatory action will be taken against any employees for the aforementioned actions. On November 29, 2023, EVE completed the general election of the fourth Trade Union Committee. A factory liaison mechanism was added in the new trade union organization structure, and a sub-union director was appointed in each factory to collect employees' voices in time. In terms of many systems involving the vital interests of employees, including the employee stock ownership plan, EVE has extensively solicited opinions and suggestions from employees, and guaranteed their right to know and rights of participation, expression, and supervision. During the reporting period, the Company solicited 2,031 employees' opinions, with a response rate of 100%, answered the questions raised and publicized the handling results.



EVE conducts employee satisfaction survey on a regular basis every year, covering all employees. In 2023, the employee satisfaction scored 84.9 points, going up for six consecutive years. In March 2023, the Company carried out Gallup Q12 employee engagement survey over 19,000 employees. According to the survey results of Gallup Q12, EVE analyzed the organizational atmosphere of each department, put forward suggestions based on the analysis of organizational development performance indicators, and took targeted improvement measures.



Talent Development and Retention

The talent development and retention strategy is the key to maintain competitive advantages and sustainable development. The Company has formulated the talent strategy of "enthusiastic recruitment, dedicated training, dedicated attention and bold promotion", established a complete training and promotion mechanism, and been dedicated to growing with employees.

Talent Training

The Company has set up the EVE Research Institute which offers onboarding training, professional training and leadership training programs and three brand courses, namely, general series, management series and professional series, with a total of 29 sub-courses to accurately meet the needs of employees and pass down and share internal knowledge.



New employee orientation

New employees will receive training on corporate culture, safety education, rules and regulations, and employee benefits to allow them to understand EVE culture, get familiar with the working environment and office processes, quickly adapt to their jobs, and work in a correct and standardized manner. Employees who do not receive or fail the work safety education or training are not allowed to work on their posts.

Eight Schools of the EVE Research Institute

Name	Target	Details
Rookie School	Participants: New members employed through open recruitment and campus recruitment	Through the onboarding training, we help new employees understand EVE culture, learn and understand the processes and systems, understand the job responsibilities and skill requirements, quickly adapt to their jobs, and work in a correct and standardized manner.
Excellence School	Participants: Technicians above Level 4	Through training in such forms as case and practical operation, technicians learn to combine theory with practice, form methodology, workshops and case library, and give full play to personal ability showing the value of the position, the role of technician system and expert system of the Company.
Innovation School	Participants: R&D engineers	Through regular training, R&D personnel deeply understand the quality system requirements, grasp the R&D process, use quality tools and R&D system skillfully, and develop high-quality, best-selling products to meet and go beyond customer expectations.
Project School	Participants: Project managers and project-related personnel	Giving full play to the role of the Management System for Major Projects, it trains competent project managers with the mindset of implementing processes strictly and the ability of efficient and collaborative team cooperation, to ensure the high quality completion of projects.
Marketing School	Participants: New & key sales force	It provides regular training courses at levels of non-commissioned officer, junior officer, commander and general. By implementing the marketing knowledge system, strengthening team cooperation, and enhancing comprehensive strength, it trains sales elite and marketing management talents to build a top sales force.
Management School	Participants: Incumbent and candidate managers and management trainees	Based on study and practice through courses like Leadership Improvement in the school, we can improve the competence of incumbent managers, help candidate managers and management trainees switch their roles, improve their ability to perform their duties, and promote the selection and development of managers.
Dayu School	Participants: Factory directors and successors	Based on study and practice through production technology and operation management courses in the school, we can improve the competence of manufacturing system managers, and train factory directors and successors who have advanced management skills and can achieve business objectives.
Dapeng School	Participants: Incumbent, candidate and alternative general managers	It trains competent general manager candidates with international competitiveness and vision to respond to the requirements of the strategy of "global manufacturing, global delivery and global service" for executives.

The Management School of the EVE Research Institute develops leadership training courses for junior and intermediate and managers to help them improve their business management ability and motivate teams. Such courses integrate multiple training methods such as teaching and seminar, consultation and mentoring, and analyze practical management problems. After being trained, the participants can use the "531 Action Plan Form" to customize the personal improvement plan, and plan the department strategy with business thinking for management empowerment and knowledge transfer.

During the reporting period,

19

offline leadership courses were delivered across the Company

totaling

143 hours

and the teaching lasted

9,041

class hours in total.

At the same time, EVE encourages and assists employees to improve their academic qualifications, and organizes academic qualification improvement programs through university-enterprise cooperation. The Company has laid down the *Rules on the Management of Talent Selection and Training* to create a platform of win-win development for employees.

Group photo of the training of Empowering Leadership

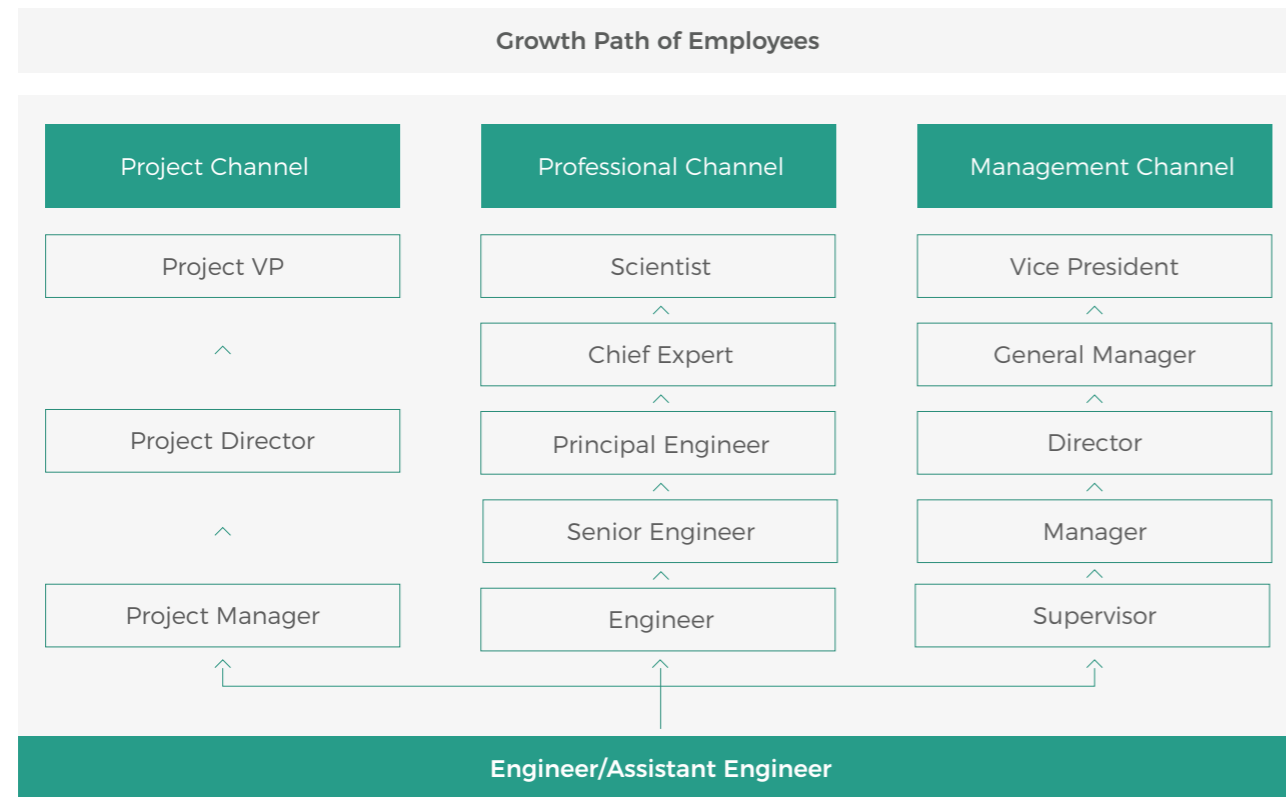


Promotion and Development

Diverse career development paths

Upholding the philosophy of "giving full play to people's talents, and training outstanding experts," EVE established three types of career development channels to provide suitable development and growth paths for different types of talents. Employees can choose their career development paths according to their interests and plans to achieve career values and goals.

We have released and implemented the *Rules on the Management of Company Technicians* and the *Rules on the Management of Wage-based Post Standards* to standardize the post setting and promotion of technicians and ensure technicians have reasonable and fair opportunities for promotion. After one-month employment, technicians will be assigned to their posts according to the actual work, and will receive post allowances according to their post levels. They can be promoted through technician training and assessment organized by the corresponding department.



Sound performance appraisal mechanism

The Company has formulated the *Rules on Management of Organizational Performance*, the *Rules on Management of Clerk Performance*, the *Rules on Management of Graded Technician Performance*, and the *Rules on Management of Employee Performance*, establishing a performance appraisal mechanism covering all levels of personnel. Centering on strategic objectives, the Company adopts the Balanced Score Card (BSC), formulates results-oriented performance objectives from finance, customers, internal process, and learning & growth, and provides performance-based salary incentives for all employees. Departments at all levels sign contracts on performance objectives with employees. The performance of departments and employees is assessed quarterly, while that of graded technicians is assessed monthly. The results of department performance assessment will affect the proportion of people at each level of individual performance assessment in the corresponding department. The results of individual performance assessment will be used as the basis of fluctuation for monthly performance salary.

	Employee	Graded technician
Assessment content	Organizational performance related indicators, post key performance indicators, post key tasks, and growth & learning indicators	Production tasks, product quality, operation standardization, attendance, and rewards and punishments
Frequency of assessment	Quarterly assessment	Monthly assessment
Incentive form	Performance results are related to monthly performance pay, year-end bonus, promotion and career development	Performance results are related to monthly performance pay, year-end bonus, and promotion
Proportion of performance assessment accepted	100%	100%
Department performance	Assessment is organized quarterly, and the performance results affect the proportion of people at each level of individual performance evaluation in the corresponding department	



All-round leadership development

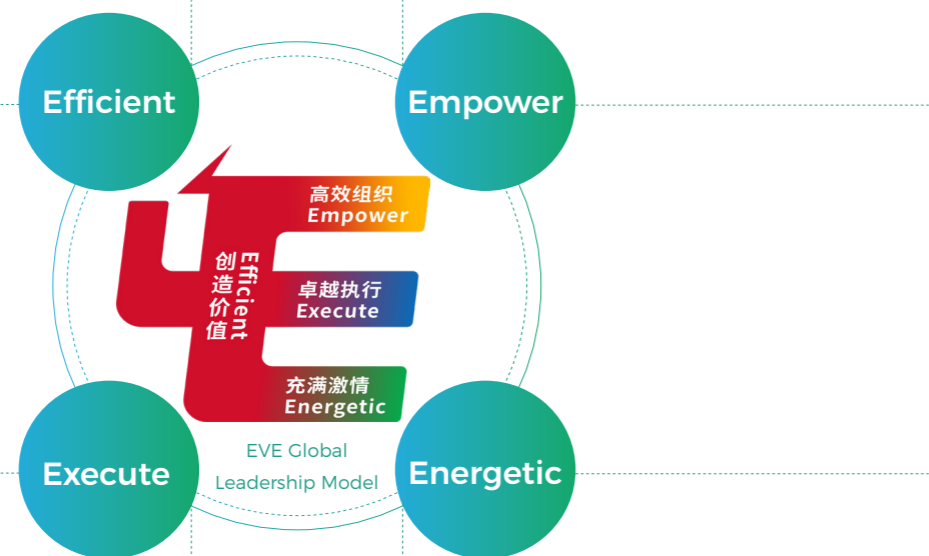
Paying great attention to the development of leadership, EVE has established a global leadership model based on strategy, organizational culture and management ideas and clarified the structure, connotation and specific behavior description of the leadership of managers. By evaluating the leadership of managers, the Company can develop targeted development plans to effectively improve the organizational leadership.

Making contributions to mankind, offering high-quality solutions centering on customers, thinking systematically about problems and making quality decisions in time.

- Customer Focus
- Systematic Mindset
- Decision Quality

Motivating others to work for the organizational visions, training team members and choosing suitable ones for particular activities, and building partnership to achieve common goals.

- Drives Vision and Purpose
- Builds Effective Teams
- Build Collaboration



Being results-oriented, consistently achieving high performance goals, taking actions vigorously and enthusiastically, providing direction, empowerment and removing obstacles for others.

- Drives Results
- Action Oriented
- Directs Work

Being bold to tackle difficult problems, speaking what must be spoken, recovering quickly from difficult situations, and being good at learning flexibly under various challenges.

- Courage
- Being Resilient
- Nimble Learnings

Attaching great importance to the selection and training of internal talents, EVE has formulated the *Rules on the Management of Executives*, which covers the entire process of manager selection and appointment, training and development, inspection and evaluation, successor management and lawful operation. At the same time, the Company values the selection and training of successors for managers at all levels. It has formulated the *Rules on the Management of Successors*, requiring all executives above the manager level to identify and train successors. The successor appointment has become an important indicator for departmental performance appraisal. By combining succession management with performance appraisals, the Company avoids talent shortages and ensures the steady supply of talents for leadership positions. During the reporting period, the Company trained a total of 1,464 executives (including management trainees), of which 81.6% were promoted from within and 84.6% held a bachelor's degree.



Occupational Health and Safety

Attaching great importance to employee safety and occupational health, EVE is committed to providing employees with a safe, healthy and reliable working environment. During the reporting period, the Company didn't have serious accidents such as serious injuries and work-related deaths.

Work Safety

With the safety vision of "zero injuries and zero fires", EVE follows the occupational health and safety policy of "Safety first, focusing on prevention, integrated control, people centered, and total health", and keeps refining the occupational health and safety management system. The Company takes the health and safety of employees as a top priority.

Safety first • focusing on prevention • integrated control • people centered • total health

Safety system building

EVE establishes a sound and professional organizational network at every level to facilitate the improvement of safety performance. Chairman and President of EVE promised and signed the policy document *Environment Health Safety is our Priority and Unwavering* to provide resources and organizational guarantee for the continuous improvement of EHS performance. The Company has established the Work Safety Committee headed by the President, and each division has set up a work safety sub-committee, responsible for leading its occupational health and safety management, making decisions on risk control plans, and providing resources and funds. EVE has set up the EHS Center headed by a Vice President. EHS departments have been established in all business groups (BG), production bases, divisions and factories, with assigned part-time EHS coordinators in workshops and departments to manage occupational health and safety affairs.

Strictly observing the relevant laws, regulations and standards of the places where EVE operates and its products are used, the Company adopts the initiatives and requirements for occupational safety of relevant organizations that have an impact on its operation, and establishes standards that are stricter than those given by laws and regulations.

Fully following the requirements of ISO 45001 and GB/T 33000, the Company has established an occupational health and safety management system, requiring each controlling company put into operation to improve the maturity of the management system as soon as possible, get the certification of relevant third-party systems, and pass the appraisal on work safety standardization. As of the release of the report, the third-party certification of ISO 45001 Occupational Health and Safety Management Systems has covered 88.9% of companies under EVE with mature operations in the battery manufacturing sector, and EVE plans to increase the coverage rate to 100% in 2024[■].

According to the changes of risks and capabilities, EVE formulates and updates the medium- and long-term and annual occupational health and safety objectives, as well as the management plan to achieve the objectives. The Company manages objectives of incident improvement, safety investment, risk and safety leadership covering minor injury rate in 200,000 working hours, injury severity, near miss, serious injury, work-related death, and occupational diseases, analyzes the performance change trend on a regular basis, and takes systematic methods to improve the performance continuously.

■ EVE-Linyang plans to obtain ISO 45001 third-party certification in 2024.

2023年责任制考核述职暨四季度安委会会议



Safety management

EVE promotes the development of a dual-prevention mechanism combining safety risk classification and control with screening and elimination of hidden risks, updates and releases *the Mobilization Order for Prevention of Fire and Explosion Risks*, and *Mobilization Order for Guard Against SIF Risks and Dual-Prevention* at company level in accordance with the requirements of laws, regulations and industry norms. During the reporting period, EVE, its subsidiaries and divisions investigated and rectified 49,177 hidden dangers, and reported and mitigated 1,331 SIF (serious injuries and fatalities) risks.

EVE takes strict construction safety management measures at the project sites. Every employee and relevant parties entering the workplace must understand and abide by the *Safety Prohibition Order*. During the reporting period, the Company launched special safety campaign for on-site construction, covering hoisting, temporary power supply, mezzanine ceiling and hot work, and formulated and implemented a safety signage acceptance system to protect the occupational health and safety of operators in an effective way. Focusing on refining the chemical management mechanism, the Company has developed information-based management means to manage every link related to chemicals including warehousing, storage, use and scrapping, and strengthened the management of relevant parties to ensure the safe use of chemicals.

Based on independent research, the Company has developed EHS Digital Management System 2.0, which leverages AI, sensors, and intelligent linkage to collect data such as temperature, concentration, water pressure and operations in real time for timely analysis, warning and intervention to prevent accidents.

During the reporting period

EVE, its subsidiaries and divisions investigated and rectified

49,177

hidden dangers

reported and mitigated

1,331

SIF (serious injuries and fatalities) risks

Emergency management

EVE keeps improving the emergency plan system, and explores and reforms the response mechanism. It has set up an emergency organization structure composed of CMT/IMT/ERT to enhance its emergency command and rescue capabilities. The Company organized emergency drills as planned, and completed 4,712 emergency drills of various types in 2023.

EVE has established a "1-3-5 min" three-level rescue mechanism. During the reporting period, it has formed 4 full-time emergency security teams, 42 part-time fire brigades, and 681 primary emergency teams, achieving 100% coverage of the emergency rescue organization network. Moreover, the Company has built 2 smoke and hot fire training grounds to enhance scientific rescue capabilities through emergency simulation and real-life training.

Response levels

Company level	Company crisis emergency
Level I	Base/BC accident emergency
Level II	Product line/factory accident emergency
Level III	Workshop/department accident emergency
Level IV	Primary-level accident emergency

"1-3-5" rescue and response

- 1 The primary-level emergency team arrives in 1min
- 3 Part-time fire brigade arrives in 3min
- 5 The full-time fire team arrives in 5min

Smoke and hot fire training



Formation Ceremony of Emergency Security Team



All-staff engagement

We adopt an all-staff work safety responsibility system, ensuring that all employees understand and sign letters of responsibility for work safety, and implement quarterly and annual assessment over the work safety responsibility system. We advocate a transparent culture, engage all employees in occupational health and safety management, and establish an employee reward mechanism. Any employee can be rewarded by reporting hidden dangers, risks, and near miss incidents and giving improvement suggestions through various channels. Through the reward mechanism, we motivate all employees to create a good culture of safety. Every year, we carry out distinctive occupational health and safety activities such as fire sports games, 119 open day for fire safety, 100-day safety, traffic safety, electrician competition, forklift skill competition and safety knowledge competition, attracting a total of 14,627 participants.



119 Open Day for Fire Safety

We require managers at all levels to have safety leadership, implement the "Safety 100" program, and take 100 safety management actions and 100% participation as the appraisal indicators of each organization. In 2023, managers at all levels carried out 131 safety-related management tasks, engaged in visible, perceptible and colorful safety management actions, set an example for employees, and directly conveyed safety requirements and expectations to employees.

Case

Work Safety Month-Safety Knowledge Competition

In June 2023, to implement the policy that "everyone cares about safety and has emergency response skills", the Company organized the Work Safety Month campaign, including a series of special cultural activities, such as hidden danger and risk identification competition, emergency drill on the safety education day, emergency management training for senior managers, and safety knowledge competition. Each EVE base held safety knowledge contests to further popularize work safety knowledge and raise the safety awareness of employees.



Case

Traffic safety governance action

With the theme that "I can contribute to traffic safety", the Company recruited volunteers in each base to carry out a two-month traffic safety management campaign outside the factory. Taking Zhongkai District where Huizhou Base is located as an example, EVE recruited 26 volunteers, who distributed more than 1,300 leaflets and corrected 113 traffic violations during the campaign. The base saw all of its employees sign the traffic safety commitment letter, and the traffic police detachment of Huizhou Public Security Bureau was invited to provide a traffic safety training session, which significantly reduced its employees' traffic violations. On December 2, 2023, Huizhou Eve Power won the honorary title of "Traffic Safety Model Enterprise of Guangdong Province."



Case

Work safety education and training

EVE takes the initiative to organize work safety education and training in various fields, at all levels and with a full coverage. It carries out three-level safety education for new employees, safety education, education on safety knowledge of new processes, equipment, materials and products operation methods, and occupational health education and training for employees who have transitioned to new positions and returned to work, and general safety knowledge education, fire safety education, and practical training on initial fire extinguishing methods for onboarding employees, and safety management knowledge training at all levels.



The Safety and Environment Center has set up an independent safety and environment school. In 2023, the school organized the heads of various production and divisions and functional departments to carry out special training on the "First Lesson of Work Safety" and emergency management training. Two sessions of "Dagger Class" for safety officers and part-time EHS coordinators have been held, with a total of 12 courses, and 168 participants (inclusive) from 17 organizations participated in the training and completed the examination.



Occupational Health

In strict accordance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant occupational health-related laws, regulations and standards, we have established a sound occupational health management system, identified post occupational hazard factors and risks regularly for comprehensive protection of employees' occupational health. In 2023, the Healthy Huizhou Promotion Committee conferred the title of "Healthy Enterprise" on the Company.

Occupational health management system

EVE has laid down internal occupational health-related systems such as *Management Rules for Occupational Health*, *Management Rules for Occupational Health Physical Examination*, *Management Rules for Occupational Health Files*, *Management Rules for First Aids*, and *Management Rules for Personal Protective Equipment*.

Occupational health management measures

01

The head of the Company is fully responsible for the prevention and control of occupational diseases. We have set up a special employee health committee with the vice president in charge of human resources serving as director and HR managers and EHS managers as members to coordinate the prevention and control of work-related injuries and occupational diseases.

We create working environment and conditions that meet the national occupational health standards and hygiene requirements for workers. Our workplaces and workshops are all equipped with facilities for preventing occupational diseases in line with requirements for protection against occupational hazard factors. We also carry out routine inspection and maintenance of these facilities.

02

03

We guarantee investment of sufficient funds in preventing and controlling occupational diseases, and maintaining their year-on-year increase. We have constantly improved facilities for protection against occupational diseases and provide workers with suitable labor protection supplies.

We organize all workers who are exposed to occupational hazards to receive occupational health examination before, during and after their service, and inform them of the examination results in writing. During the reporting period, there were 8,362 persons registered in exposure to occupational hazard factors, and 10,063 workers had physical examination in 2023, with no occupational disease cases found.

04

05

We regularly entrust qualified institution offering occupational health technical services to detect occupational hazard factors and evaluate the current situation of occupational hazards, take improvement measures according to the detection conclusions and suggestions, make information disclosure in places where occupational hazards exist, inform workers exposed to occupational hazards, and regularly carry out training on prevention and control of occupational diseases.

We strictly control hazardous substances, review materials and test reports for newly introduced chemical materials, and regularly entrust qualified third-party agencies to detect hazardous components for raw and auxiliary chemical materials. In 2023, we sent a total of 66 samples for inspection to eliminate and replace harmful substances from the sources.

06

07

We have formulated a *List of Prohibited Substances* for materials containing high-risk substances, take non-use as the highest principle, strengthen engineering protection measures for high-risk materials that cannot be eliminated and replaced, and provide effective labor protection supplies for operators.

Employee assistance program

In order to help employees relieve work pressure and improve their physical and mental health, EVE has launched the Employee Assistance Program (EAP), set up the "EVE Sunshine", online EAP platform, and built psychological counseling rooms at factories. The platform provides services such as psychological counseling appointment, psychological hotline, psychological science popularization, online psychological course, psychological evaluation, and psychological Q&A, and pushes psychological knowledge multiple times a month.

During the reporting period, the Company carried out 2 offline psychological carnivals, 6 activities of "mental health for departments", 2 online psychological courses, and conducted mental health examinations for all employees, with more than 20,000 participants.





09

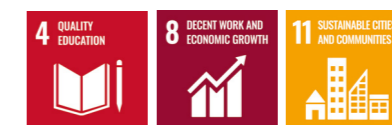
Giving Back to Society

EVE can assume the responsibilities of giving back to the society with actions, and help talents pursue their dreams with education; safeguard the harmony and tranquility of the community with safety; build a bond with communities through good communication; lead the common development of the industry; write a beautiful chapter for society in the new era with warmth and strength.

Topics Disclosed

- 14 Community Activities - 15 Public Welfare Projects

Contribution to the SDGs





Value Co-creation

We are proactive in responding to the government's call, promoted the high-quality development of lithium battery industry in different regions, upgraded regional supporting facilities, and boosted the green, sustainable development of new energy economy and ecological environment.

Development of Regional Industries

Case

Investment in Jingmen Lithium Battery Town to build a top demonstration zone for city-industry integration

On January 31, 2023, the People's Government of Jingmen City signed a strategic cooperation agreement on International Energy Valley-Lithium Battery Town with EVE and other enterprises. According to the agreement, Jingmen draws up a city-industry integration plan of lithium battery town, and plans to invest RMB 8.2 billion to build a demonstration zone for city-industry integration, which is suitable to live and work in, around EVE and other enterprises in three years. Covering an area of 26.53 km², the town will attract 50,000 people, feature the functions of industry, ecology and community, and integrate enterprise production, scientific research and training, life services, and culture and leisure. In the future, EVE will closely collaborate with industrial chain enterprises, and improve industrial cluster effect, supporting the building of a "Lithium Battery Capital in Central China."



Case

Facilitating the high-quality development of Huizhou's new energy industry

On March 17, 2023, the Site Meeting of Huizhou City for Promotion of High-quality Development (Zhongkai) and the Commissioning Ceremony of the 30th and 31st Factories of EVE were successfully held. At the meeting, EVE signed a Strategic Cooperation Framework Agreement with the Administrative Committee of Zhongkai High-tech Zone. Huizhou New Energy Industry Alliance was officially inaugurated, and EVE served as a chairman member. The Alliance will unite all forces of the new energy industry to promote innovation in new energy technologies, industry application and industry development, facilitating the city to build a more comprehensive all-industry-chain ecosystem of new energy so as to improve technological level and core competitiveness of its new energy businesses.



Case

EVE Energy Storage and Power Battery Project commenced construction in Shenyang

On March 20, 2023, EVE Energy Storage and Power Battery Project with an investment of about RMB 10 billion commenced construction in Shenyang, Liaoning Province. Aiming to produce energy storage and power batteries with low temperature resistance, high energy density and high reliability, the project is scheduled to be put into production in 2025. In the future, it is expected to attract and drive enterprises engaging in anode and cathode, electrolyte, separator, copper foil and equipment in its upstream and downstream industrial chains, form a new energy battery industrial base in Shenyang, and build a 100-billion-level industrial cluster of energy storage and power batteries, which will play an important strategic role in supporting the development of NEV industry in Liaoning and even Northeast China.



Case

Advance presence in the integrated application of energy storage and charging in response to the call of the state

In January 2023, the demonstration project of EVE Mobile Fast-Charging Station was put into operation in Lilin North Service Area, Huicheng District, Huizhou, Guangdong Province. The energy storage cabinet uses the electricity stored during idle hours at night for charging during peak hours in daytime, which not only improves the utilization rate of electricity, but also contributes to the power grid balancing. Boasting a fast-charging power of 160kW, the charging pile is 50% faster than ordinary charging piles, saving about 15 minutes per vehicle on average, and it is estimated that 50-60 vehicles can be charged every day, increasing the charging service capacity by 100%. EVE mobile fast-charging stations are designed as a solution to the charging difficulty during peak hours in expressway service areas during holidays. EVE makes its effort to escort Spring Festival travel season. The application responded in advance to the call of the National Development and Reform Commission in June 2023 for "providing mobile charging infrastructure in areas with high traffic volume on public holidays."



Contribution to Education

EVE supports education with actions, share high-quality resources and train new talents of lithium battery technology by making donations, offering scholarships and conducting university-enterprise cooperation.

Case

Caring for education and promoting the growth of talents

Liu Jincheng, Chairman of EVE, and Xu Kaihua, Chairman of GEM, together with others, founded Jiuyuan Education Foundation, which offers scholarships for teachers and students to support the development of Jingmen education. On October 21, 2023, Chairman of EVE donated RMB 1 million to the foundation, giving back to his hometown with solid actions and showing the exemplary role of an entrepreneur to assume social responsibilities.

Case

Deepening the industry-education integration and training innovation talents

In November 2023, EVE cooperated with the City College of Huizhou to establish EVE New Energy Industry College to deepen the industry-education integration and train innovation talents. Providing high-quality resources, EVE works with the college to develop training programs, build a new curriculum system, and formulate quality assurance mechanisms, with a view to training high-level, top-notch talents for the country and society and supporting the Company to develop its talent team.

In December 2023, EVE and Huizhou University jointly established the "EVE Innovation Class" to offer students practical courses, job skills training, probation and onboarding training, so as to enhance their post competence and train talents to meet market demand together with the school.



Community Participation

In the process of globalization, EVE is proactive to establish good cooperation and communicate with local communities for fostering a virtuous circle of sustainable development and sharing a better life with the communities.

Domestic Communities

Popularization of cutting-edge technologies to create a sustainable development ecosystem

Through on-site lectures, seminars and surveys, we make proactive efforts to popularize new energy knowledge, covering market dynamics, cutting-edge technological achievements and applications. In 2023, we held 120 events for teachers, students and social organizations in Huizhou, Guangdong, Hong Kong and Macao to cultivate young people's awareness of sustainable development, provide policy suggestions to society and the government, and support the country's sustainable development and ecological development.



Employees active in public welfare activities

EVE formed a volunteer service team in 2018. Since that, the team launched many volunteer service activities for poverty alleviation, donation, education aid, trash running for environmental protection, and road civility, etc.



Volunteer activities of EVE Trash Running Team on the theme of **"Bending down for Environment and Trash Running Together"** are carried out on every Thursday for a clean and beautiful community environment.



Volunteer activities of **"Promoting Road Civility"** are carried out every Monday, Wednesday and Friday to guide the travel of residents in surrounding communities and factory workers.



Through **"Sunshine Action"**, the trade union of the Company visited the surrounding communities by establishing a regular contact mechanism and helped 15 families in financial difficulties.

All responsible for ensuring a safe community

By promoting fire protection knowledge, improving the emergency rescue capability of its fire brigade and assisting in community fire rescue, EVE joins hands with communities for fire safety and disaster prevention to ensure a harmonious and safe living environment.

Parent-child activities on fire safety

We organized community parent-child activities in the Fire Safety Publicity Month in November, and invited 64 families to visit our factory and experience fire safety skills under the instruction of firefighters.



Community support

In 2023, our fire brigade supported fighting two community fires. On January 21 (Chinese New Year's Eve), our full-time fire brigade at Jingmen Base received the call from the fire rescue squadron under the local government and helped extinguish the forest fire east of EVE Power Zone 3. On July 4, the municipal generator around Tonghu Base in Huizhou caught fire, and the part-time first squadron of Huizhou EVE Power quickly arrived at the scene and extinguished the fire.

Overseas Communities

In building overseas bases, we value communication and interaction with local communities, and promote mutual understanding and respect between employees and community members by holding regular community meetings, setting up feedback channels and organizing cultural exchange activities in cooperation with local cultural organizations. In addition, we have prepared the *Handbook of Overseas Cultures and Customs*, which helps domestic employees understand local cultural environment and form good communication and understanding with the local people.

Sharing and building a sustainable future

In May 2023, EVE officially announced the construction of factories in Hungary and Malaysia respectively, marking a new journey of "global manufacturing, global service, and global cooperation."

During the preparation for the factory in Hungary, EVE focused on matters such as resources, environment, labor, safety and social governance, and gave open and transparent responses to issues of public concern. Once the factory is built and put into production, it will provide over 1,000 jobs for local people, and work with local partners to promote the sustainable development of the electric vehicle industry.

When building the factory in Malaysia, EVE consulted with community representatives many times, and adopted advanced environmental protection technologies and sustainable building techniques to ensure that the project respects local culture, has a positive impact on the local environment and community, and promotes community growth. After the Malaysian factory is built, it is expected to employ about 600 local people.

Training talents for mutual benefit and win-win results

Enterprise-university cooperation achieves mutual benefit and win-win results and injects new vitality into the green energy industry. In Hungary, EVE held a job fair and a celebration of the Department of Chinese Studies at Eötvös Loránd University in Hungary to search for both Chinese and Hungarian talents and promote technical exchanges. In Malaysia, we cooperated with Xiamen University Malaysia to drive the development of innovation talents through conducting joint research on technology and providing internship opportunities.

Blending into local culture and living a healthy and better life together

Football, as a global sport, enjoys great popularity among local people in Hungary. As one of the most popular and globalized sports, football is a language across borders and cultures, and can be a bridge for cultural exchanges. In September 2023, EVE signed a cooperation agreement with Debreceni Vasutas Sport Club (DVSC), a local professional football club, with a total investment of EUR300,000 for sponsorship of its football team activities. Upholding the philosophy of "Making outstanding contributions to sustainable development", the Company spread the philosophy of sustainable development to local residents through display on the sites of football matches and media interviews, hoping to create a healthy and beautiful life with local communities.



Appendixes

Information of Entities within the Scope of Reporting

Principal place of business	Entity	Abbreviation	Business type	
China	EVE Energy Co., Ltd. (Headquarters)	EVE	Manufacturing industry	
	Huizhou EVE Power Co., Ltd.	Huizhou EVE Power	Manufacturing industry	
	Huizhou, Guangdong	EVE Hyperpower Batteries Inc.	EVE Hyperpower	Manufacturing industry
	Huizhou EVE United Energy Co., Ltd.	EUE	Manufacturing industry	
	Huizhou Jinyuan Precision Automation Equipment Co., Ltd.	Jinyuan Automation	Manufacturing industry	
	Guangdong EVCENS New Energy System Co., Ltd.	EVCENS	Manufacturing industry	
	Jingmen, Hubei	EVE Power Co., Ltd.	EVE Power	Manufacturing industry
		EVE Innovation Energy Co., Ltd.	EVE Innovation Energy	Manufacturing industry
	Wuhan, Hubei	Wuhan Fanso Technology Co., Ltd.	Fanso	Manufacturing industry
		EVE Energy Storage Co., Ltd.	EVE Energy Storage	Manufacturing industry
	Chengdu, Sichuan	Chengdu EVE Energy Co., Ltd.	Chengdu EVE	Manufacturing industry
		Chengdu EVE Power Co., Ltd.	Chengdu EVE Power	Manufacturing industry
	Qujing, Yunnan	Qujing EVE Energy Co., Ltd.	Qujing EVE	Manufacturing industry
	Yuxi, Yunnan	Yuxi EVE Energy Co., Ltd.	Yuxi EVE	Manufacturing industry
		Yunnan Yijie Lithium Co., Ltd.	Yijie Lithium	Manufacturing industry
	Qidong, Jiangsu	EVE-Linyang Energy Storage Technology Company Limited	EVE-Linyang	Manufacturing industry
	Ningbo, Zhejiang	Ningbo EVE Hyperpower Batteries Co., Ltd.	Ningbo EVE	Manufacturing industry
	Shenyang, Liaoning	Shenyang EVE Energy Co., Ltd.	Shenyang EVE	Manufacturing industry
	Haixi, Qinghai	Qinghai EVE Energy Co., Ltd.	Qinghai EVE	Manufacturing industry
		Jinhai Lithium (Qinghai) Co., Ltd.	Jinhai Lithium	Manufacturing industry

Principal place of business	Entity	Abbreviation	Business type	
China	Hong Kong	EVE ASIA CO., LIMITED	EVE Asia	Commerce and trade industry
		EVE POWER HONGKONG CO., LIMITED	EVE Power Hong Kong	Commerce and trade industry
Overseas	Malaysia	EVE Energy Malaysia Sdn. Bhd.	EVE Malaysia	Manufacturing industry
	Hungary	EVE Power Hungary Kft.	EVE Hungary	Manufacturing industry
	Germany	EVE Germany GmbH	EVE Germany	Commerce and trade industry
	Singapore	EVE ENERGY PTE. LTD.	EVE Singapore	Commerce and trade industry
	Ireland	EVE ENERGY IRELAND HOLDING LIMITED	EVE Ireland	Commerce and trade industry
	United States	EVE ENERGY US HOLDING LLC	EVE United States	Commerce and trade industry
		EVE Worldwide Industry INC	EVE Worldwide	Commerce and trade industry
	British Virgin Islands	EVE BATTERY INVESTMENT LTD	EBIL	Commerce and trade industry

Note: Compared with the previous reporting year, Chengdu EVE Power, Yunnan Yijie and overseas holding companies were added.

Key Performance Table

Environmental performance

Indicator	Unit	2022	2023
Violation of environmental laws and regulations	Incident	0	0
Green plant	Plant	2	2
Self-built PV power generation	MWh	14,660	35,802
Total water withdrawal ¹ (third party-urban waterworks)	t	4,792,057	6,805,098
Scope 1 GHG emissions ²	tCO ₂ e	/	102,432
Scope 2 GHG emissions ²	tCO ₂ e	/	1,363,741
NO _x emissions ³	t	18.14	16.04
Wastewater discharge ³	t	45,733.95	46,484.86
Non-hazardous industrial solid wastes produced ³	t	16,585.66	112,988.10

Indicator	Unit	2022	2023
Non-hazardous industrial solid wastes recycled ³	t	16,499.91	112,070.41
Non-hazardous industrial solid wastes disposed ⁴	t	0	917.68
Hazardous wastes produced ³	t	1,859.22	3,117.88
Hazardous wastes recycled ³	t	849.30	1,986.41
Hazardous wastes disposed ³	t	1,016.57	1,131.47

Explanation on statistical scope and calculation methods:

¹The water resources data comes from companies under EVE with mature operations in the battery manufacturing sector.

²The GHG emission data comes from the companies under EVE with mature operations in the battery manufacturing sector. The GHG emission data covers 7 types of GHGs (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃). Their data is consolidated through the operation control method and calculated in the method based on ISO 14064-1: 2018 and GHG Protocol. The emission factors are selected from: (1) Calculation of fuel and fugitive source emission factors referring to 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with the calorific value of fuel obtained based on GB/T2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption, of which the calorific value of natural gas is from parameters of the suppliers; (2) For outsourced electricity, the average emission factor of Chinese grid in 2023 is used, and it is from the Notice of the Administration of GHG Emission Reports of Electricity-generating Enterprises 2023-2025; (3) For steam, the default value of thermal emission factor in the Guidelines on the GHG Emission Accounting and Reporting for Machinery Manufacturing Enterprises (Interim) is adopted.

³The emission and waste data comes from companies under EVE with mature operations in the battery manufacturing sector. Compared with 2022, the scope waste data in 2023 was extended to cover recycled NMP solution and non-raw and non-auxiliary materials waste products (such as packaging paper, wood, and steel scrap). The wastewater discharge data only covers industrial wastewater, which is treated in the Company's self-built wastewater treatment stations in line with given standards for water replenishment of the cooling system or discharged into the industrial sewage treatment works via the municipal sewage pipeline network.

⁴In 2022, the co-processing of general industrial solid wastes in cement kiln was counted as recycling, so the general industrial solid wastes were recycled 100% in that year, with 0 disposed.

■ Social performance

Indicators	Unit	2022	2023
Headcount	Person	27,427	27,339
Number of employees (by age)			
Under 30	Person	10,768	11,757
30-50 years old	Person	16,405	15,232
Above 50	Person	254	350
Number of employees (by gender)			
Male	Person	18,896	18,930
Female	Person	8,531	8,409

Indicators	Unit	2022	2023
Number of employees (by education)			
High school and below	Person	/	14,094
Junior college	Person	/	4,162
Bachelor	Person	/	6,956
Master or above	Person	/	2,127
Number of part-time or temporary workers	Person	0	0
Number of managers	Person	/	2,693
Number of managers ² (by gender)			
Male	Person	/	2,076
Female	Person	/	617
Number of managers ² (by age)			
Under 30	Person	/	582
30-50 years old	Person	/	2,058
Above 50	Person	/	53
Share of female employees in revenue-generating departments ³	%	/	42
Share of female employees in STEM related positions ⁴	%	/	20
Number of new employees (by gender)			
Male	Person	13,942	4,650
Female	Person		1,765
Share of employees subject to regular performance and career development evaluations	%	100	100

Indicators	Unit	2022	2023
Number of employees using parental leave (by gender)			
Total	Person	1,325	2,564
Male	Person	/	1,775
Female	Person	/	789
Total number of employees returning to work after the end of parental leave ⁵	Person	/	2,242
Employment contract signing rate	%	100	100
Coverage of employee training (by gender)			
Total coverage	%	/	95.52
Male	%	/	98.60
Female	%	/	93.34
Average training hours of employees (by gender)			
Total average hours	Hour	/	31.5
Male	Hour	/	31.0
Female	Hour	/	32.6
Work safety input	RMB 10,000	4,693	5,155
Number of safety drills ⁷	Drill	5,565	4,712
Number of major safety accidents and environmental pollution incidents	Accident/incident	0	0
Mortality rate	millions of working hours	0	0
Number of deaths of employees and contractors	Person	0	0
Proportion of sourcing from local suppliers ⁸	%	30.24	21.59
Number of suppliers carrying out environmental and social impact assessments	Supplier	150	231
Percentage of products to be withdrawn and recalled for health and safety concerns	%	0	0

Explanation on statistical scope and calculation methods:

¹The employee data and safety data come from domestic holding companies (including subsidiaries in Hong Kong).

²The "management" counted covers personnel at management positions.

³"Revenue-generating departments" refer to the departments that promote the Company's revenue. The statistical scope in this year covers the sales personnel of the Company.

⁴"STEM related positions" refer to positions related to science, technology, engineering and mathematics, and the statistical scope in this year covers the technicians of the Company.

⁵"Total number of employees returning to work after the end of parental leave" is the total number of employees who are still in service during the reporting period after taking parental leave.

⁶The mark "/" indicates the data not counted in the previous year.

⁷In 2023, we refined the formulation principle of the drill plan, and planned level-based drills according to the risks of accident scenes to reduce the frequency of emergency drills for low-risk scenes, focus on the prevention and control and emergency response capabilities of medium- and high-risk scenes, and improve the risk and emergency response capabilities of key sites effectively.

⁸The proportion of sourcing from local suppliers is calculated as the proportion of raw material purchased from suppliers in Guangdong Province to total raw material purchased from January to December 2023. The companies covered by the data are EVE, EVE Power, Huizhou EVE Power, EVE Innovation Energy, EVE Energy Storage, Ningbo EVE and EVE Linyang.

Economic and governance performance

Indicators	Unit	2022	2023
Operating revenue	RMB 100 million	363.04	487.84
Net profit attributable to shareholders of the listed company	RMB 100 million	35.09	40.50
Shareholders' Meeting	Meeting	7	10
Board of Directors meeting	Meeting	19	21
Board of Supervisors meeting	Meeting	19	20
Number of directors	Person	7	7
Number of independent directors	Person	3	3
Number of female directors	Person	2	2
Corruption cases occurred during the year	Incident	2	1
Coverage of anti-corruption training for employees	%	100	100
Number of anti-corruption training sessions for management	Training	/	7

Indicators	Unit	2022	2023
Number of lawsuits involving unfair competition and violation of antitrust and anti-monopoly laws	Lawsuit	0	0
R&D investment	RMB 100 million	22.61	28.71
Ratio of R&D investment to revenue	%	6.23	5.88

Explanation on statistical scope and calculation methods:

¹The statistical scope of the Company's economic and governance data is consistent with the scope of its consolidated financial statements.

Environmental Emission and Permit Information of Key Organizations under Environmental Supervision

Entity	Category of main and characteristic pollutants	Description of main and character pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Implementation of pollutant discharge standards	Total emissions (t/a)	Approved total emissions (t/a)	Excess emissions
EVE	Atmospheric pollutants	Non-methane hydrocarbon	Organized	2	Xikeng factory	2.145 mg/m ³	Standard for lithium-ion/lithium batteries in Table 5 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 50 mg/m ³	0.022	1.164	None
	Water pollutants	Chemical oxygen demand	Intermittent	1	Xikeng factory	37.5 mg/L	Industrial wastewater: Standards for indirect emissions in Table 3 of Emission Standards of Pollutants for Battery Industry (GB30484-2013): 70 mg/L	0.5153	3.15	None
	Water pollutants	Ammonia nitrogen	Intermittent	1	Xikeng factory	0.2485 mg/L	Industrial wastewater: Standards for indirect emissions in Table 3 of Emission Standards of Pollutants for Battery Industry (GB30484-2013): 10 mg/L	0.0034	0.048	None

Entity	Category of main and characteristic pollutants	Description of main and character pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Implementation of pollutant discharge standards	Total emissions (t/a)	Approved total emissions (t/a)	Excess emissions
Ningbo EVE	Atmospheric pollutants	Non-methane hydrocarbon	Organized	4	Ningbo factory	4.1538 mg/m ³	Standard for lithium-ion/lithium batteries in Table 5 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 50 mg/m ³	0.4581	4.18	None
	Water pollutants	Chemical oxygen demand	Intermittent	1	Ningbo factory	111 mg/L	Industrial wastewater: Standard for indirect emissions in Table 2 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 150 mg/L	0.7483	1.196	None
	Water pollutants	Ammonia nitrogen	Intermittent	1	Ningbo factory	0.8685 mg/L	Industrial wastewater: Standard for indirect emissions in Table 2 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 30 mg/L	0.0062	0.239	None
EVE Innovation Energy	Atmospheric pollutants	Non-methane hydrocarbon	Organized	7	The fourth, fifth and thirteenth factories	6.01 mg/m ³	Standard for lithium-ion/lithium batteries in Table 5 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 50 mg/m ³	8.6038	30.0563	None
EVE Power	Atmospheric pollutants	Non-methane hydrocarbon	Organized	43	Zone 1, Zone 2, Zone 3, Zone 4, Zone 6, Zone 7, Zone 8 and Zone 9	7.053 mg/m ³	Standard for lithium-ion/lithium batteries in Table 5 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 50 mg/m ³	22.2825	289.772	None

Entity	Category of main and characteristic pollutants	Description of main and character pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Implementation of pollutant discharge standards	Total emissions (t/a)	Approved total emissions (t/a)	Excess emissions
EVE Power	Atmospheric pollutants	Sulfur dioxide	Organized	1	Zone 2	6.82 mg/m ³	Standard for gas-fired boilers in Table 3 of Emission Standard of Air Pollutants for Boiler (GB13271-2014): 50 mg/m ³	0.352	3.55	None
	Atmospheric pollutants	Nitrogen oxides	Organized	1	Zone 2	81.27 mg/m ³	Standard for gas-fired boilers in Table 3 of Emission Standard of Air Pollutants for Boiler (GB13271-2014): 150 mg/m ³	3.956	16.60	None
	Atmospheric pollutants	Particles	Organized	1	Zone 2	3.77 mg/m ³	Standard for gas-fired boilers in Table 3 of Emission Standard of Air Pollutants for Boiler (GB13271-2014): 20 mg/m ³	0.1695	1.9931	None
	Water pollutants	Chemical oxygen demand	Intermittent	6	Zone 2, Zone 4, Zone 6, Zone 7, Zone 8 and Zone 9	34.02 mg/L	Industrial wastewater: Standard for indirect emissions in Table 2 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 150 mg/L	1.24	50.338	None
	Water pollutants	Ammonia nitrogen	Intermittent	6	Zone 2, Zone 4, Zone 6, Zone 7, Zone 8 and Zone 9	3.44 mg/L	Industrial wastewater: Standard for indirect emissions in Table 2 of Emission Standard of Pollutants for Battery Industry (GB30484-2013): 30 mg/L	0.1543	4.471	None
EUE	Atmospheric pollutants	Non-methane hydrocarbon	Organized	8	Zone B, Zone C	3.42 mg/m ³	Requirements for air pollutant limits of new facilities in Emission Standard of Pollutants for Battery Industry (GB 30484-2013): 50 mg/m ³	3.6371	20.0562	None

Entity	Category of main and characteristic pollutants	Description of main and character pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Implementation of pollutant discharge standards	Total emissions (t/a)	Approved total emissions (t/a)	Excess emissions
EUE	Atmospheric pollutants	Nitrogen oxides	Organized	2	Zone B, Zone C	32 mg/m ³	Special emission limits in Table 3 of Emission Standard of Air Pollutants for Boiler (DB 44/765-2019): 50 mg/m ³	5.7203	26.89	None
	Water pollutants	Chemical oxygen demand	Intermittent	2	Zone B, Zone C	16.45 mg/L	Category IV standard in the Environmental Quality Standards for Surface Water (GB 3838-2002) and label limit of supplementing water for open circulating cooling water system in The Reuse of Urban Recycling water-Water Quality Standard for Industrial Uses (GB/T 19923-2005) (whichever is stricter): 30 mg/L	0.1122	0.3862	None
	Water pollutants	Ammonia nitrogen	Intermittent	2	Zone B, Zone C	0.407 mg/L	Category IV standard in the Environmental Quality Standards for Surface Water (GB 3838-2002) and label limit of supplementing water for open circulating cooling water system in The Reuse of Urban Recycling Water-Water Quality Standard for Industrial Uses (GB/T 19923-2005) (whichever is stricter): 1.5 mg/L	0.0067	0.0193	None

Company name	Approval document	Document No.	Issuing date	Expiration date
EVE	Reply on the Capacity Expansion and Efficiency Improvement of Automatic Production Line of Green High-energy Lithium Thionyl Chloride and Lithium Manganese Batteries for Internet of Things	H. S. H. (Zhongkai) J. [2023] No. 4	February 7, 2023	/
Ningbo EVE	Pollutant discharge permit (change)	91330283MA2J42GE1D001Q	March 2, 2023	October 19, 2026
EVE Innovation Energy	Acceptance of New Industrial X-ray CT Project of EVE Innovation Energy Co., Ltd.	Independent acceptance	February 27, 2023	/
	Pollutant discharge permit (change)	91420800MA491GF58H001V	December 11, 2023	November 14, 2027
EVE Power	Approval Opinions on the Report Form of Environmental Impact of Logistics Integration Plant of EVE Power Co., Ltd.	J. H. D. S. [2023] No. 26	May 9, 2023	/
	Reply on the Report Form of Environmental Impact of Two New Industrial X-ray CT Machines in 14th Factory of Zone 7 of EVE Power Co., Ltd.	J. H. S. [2023] No. 76	October 23, 2023	/
	Environmental Protection Acceptance for the Completion of 20GWh High-Energy-Density LFP Energy Storage Power Battery Project of EVE Power Co., Ltd.	Independent acceptance	November 1, 2023	/
	Environmental Protection Acceptance for the Completion of Three New Industrial X-ray CT Machines in HBF16GWh Passenger Car Lithium-ion Power Battery Project of EVE Power Co., Ltd.	Independent acceptance	December 5, 2023	/
	Three New Industrial X-ray CT Projects in 12J Factory of EVE Power Co., Ltd.	Independent acceptance	September 5, 2023	/

Company name	Approval document	Document No.	Issuing date	Expiration date
EVE Power	Two New Industrial X-ray CT Projects in 839J Factory of Zone2 of EVE Power Co., Ltd.	Independent acceptance	December 5, 2023	/
	EVE Power No. 3 Industrial Park (Change) Phase II	Independent acceptance	February 10, 2023	/
	Environmental Protection Acceptance for the Completion of HBF16GWh Passenger Car Lithium-ion Power Battery Project of EVE Power Co., Ltd.	Independent acceptance	December 29, 2023	/
	Sewage discharge permit (re-application)	914208000500011598001Q	April 25, 2023	April 24, 2028
EUE	Report Form of Environmental Impact of New Concentrated Water Complexation Experiment Project in IQC Laboratory of Huizhou EVE United Energy Co., Ltd.	H. S. H. (Zhongkai) J. [2023] No. 84	May 24, 2023	/
	Environmental Protection Acceptance for the Completion of Natural Gas-fired Boiler Reconstruction and Expansion Project of Huizhou EVE United Energy Co., Ltd.	Independent acceptance	September 13, 2023	/
	Environmental Protection Acceptance for the Completion of Production Equipment, Auxiliary Equipment and Supporting Pollution Prevention Facilities of the Production Line of 84 Million Prismatic Lithium-ion Batteries (279 Million Ah/a) of Huizhou EVE United Energy Co., Ltd.	Independent acceptance	September 13, 2023	/
	Sewage discharge permit (re-application)	91441300MA51W6K13R001U	April 10, 2023	April 9, 2028

GRI Standards Index

Statement of use	EVE has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No industry standards in use

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
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General disclosures				
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GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile Business Presence	Not applicable "Omission"	
	2-2 Entities included in the organization's sustainability reporting	About This Report Statistical coverage of information and data in the report		
	2-3 Reporting period, frequency and contact point	About This Report		
	2-4 Restatements of information	Key Performance Table		
	2-5 External assurance	Third-party Authentication Report		
	2-6 Activities, value chain and other business relationships	About EVE		
	2-7 Employees	Key Performance Table		
	2-8 Workers who are not employees	Rights and Benefits of Employees		
	2-9 Governance structure and composition	ESG Management Sound Corporate Governance Please refer to the EVE 2023 Annual Report for details		
	2-10 Nomination and selection of the highest governance body	Sound Corporate Governance Please refer to the Articles of Association for details		
	2-11 Chair of the highest governance body	Sound Corporate Governance Please refer to the EVE 2023 Annual Report for details		
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Management		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	ESG Management		
	2-14 Role of the highest governance body in sustainability reporting	ESG Management		
	2-15 Conflicts of interest	Sound Corporate Governance Please refer to the EVE 2023 Annual Report for details		
	2-16 Communication of critical concerns	ESG Management		
	2-17 Collective knowledge of the highest governance body	ESG Management		
	2-18 Evaluation of the performance of the highest governance body	Please refer to the EVE 2023 Annual Report for details	Confidentiality constraints	Due to the Company's information confidentiality requirements, 2-18-c is not yet available for disclosure
	2-19 Remuneration policies	Sound Corporate Governance Please refer to the Remuneration and Evaluation Plan 2023 for Directors and Senior Executive Officers for details		
	2-20 Process to determine remuneration	Please refer to the Remuneration and Evaluation Plan 2023 for Directors and Senior Executive Officers for details		
	2-21 Annual total compensation ratio	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, 2-21-a/b/c is not yet available for disclosure
	2-22 Statement on sustainable development strategy	Message from the Chairman ESG Management		
	2-23 Policy commitments	ESG Management Business Ethics Responsible Sourcing Rights and Benefits of Employees		
	2-24 Embedding policy commitments	ESG Management Business Ethics Responsible Sourcing Rights and Benefits of Employees		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	ESG Management Business Ethics Responsible Sourcing Rights and Benefits of Employees		
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics		
	2-27 Compliance with laws and regulations	Please refer to the sections of the report for details		
	2-28 Membership associations	Events of 2023		
	2-29 Approach to stakeholder engagement	ESG Management		
	2-30 Collective bargaining agreements	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, 2-30-a/b is not yet available for disclosure
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management	Not applicable "omission"	
	3-2 List of material topics	ESG Management		
Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Key Performance Table Please refer to the EVE 2023 Annual Report for details		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Performance Table Please refer to the EVE 2023 Annual Report for details		
	201-2 Financial implications and other risks and opportunities due to climate change	Response to Climate Change	Confidentiality constraints	Due to the Company's information confidentiality requirements, this data is not yet available for disclosure
	201-3 Defined benefit plan obligations and other retirement plans	Omission	Information unavailable	Such information is not counted yet and is not available for disclosure.
	201-4 Financial assistance received from government	Omission	Information unavailable	Such information is not counted yet and is not available for disclosure.

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
Indirect Economic Impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Value Co-creation		
	203-2 Significant indirect economic impacts	Value Co-creation		
Procurement Practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Management		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Key Performance Table		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics	Information incomplete	Such information is not complete yet and 205-1-b is not available to fully disclose.
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics Key Performance Table	Information incomplete	Such information is not complete yet and 205-1-a/c/d is not available to fully disclose.
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics		
Anti-competitive Behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Key Performance Table		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Management		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, this information is not yet available for disclosure
	302-2 Energy consumption outside of the organization	Omission		
	302-3 Energy intensity	Omission		
	302-4 Reduction of energy consumption	Resource Management		
	302-5 Reductions in energy requirements of products and services	Omission	Information unavailable	Our products involve consumer batteries, power batteries and energy storage batteries, and there are many product types and application scenarios. Therefore, the calculation of product energy demand is complex and affected by many factors, and no standard statistical method has been formed, so it is difficult to be counted and disclosed.
Water and Effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Management Emissions and Environmental Impact		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Management Emissions and Environmental Impact		
	303-2 Management of water discharge-related impacts	Emissions and Environmental Impact		
	303-3 Water withdrawal	Key Performance Table	information incomplete	303-3-b/c cannot be fully disclosed. During the reporting period, the drew water from municipal water supply systems (third parties),the amount of water withdrawal categorized by source (freshwater or other sources), and the amount of water withdrawal in areas with water stress have not been accurately quantified.
	303-4 Water discharge	Emissions and Environmental Impact Key Performance Table Environmental emission and permit information of key units under environmental supervision	information incomplete	303-4-b/c cannot be fully disclosed, the amount of water withdrawal categorized by source (freshwater or other sources), and the amount of water withdrawal in areas with water stress have not been accurately quantified.

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 303: Water and Effluents 2018	303-5 Water consumption	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, this data is not yet available for disclosure
Biodiversity				
GRI 3:Material Topics 2021	3-3 Management of material topics	Emissions and Environmental Impact		
GRI 304:Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Emissions and Environmental Impact		
	304-2 Significant impacts of activities, products and services on biodiversity	None of the Company's operations are located in legally protected ecological areas or other important areas for ecosystems, and its production and operational activities do not have a significant impact on biodiversity.		
	304-3 Habitats protected or restored			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			
Emissions				
GRI 3:Material Topics 2021	3-3 Management of material topics	Response to Climate Change Emissions and Environmental Impact		
GRI 305:Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Key Performance Table		
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance Table		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Omission	Information incomplete	Scope 3 GHG emissions data are subject to annual verification results and are not yet disclosed
	305-4 GHG emissions intensity	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, this data is not yet available for disclosure.
	305-5 Reduction of GHG emissions	Response to Climate Change Resource Management		
	305-6 Emissions of ozone-depleting substances (ODS)	Omission	Not applicable	During the reporting period, the company was not involved in significant emissions of ozone-depleting substances (ODS), so this data is not available.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions and Environmental Impact Key Performance Table	Information incomplete	Due to SOx, VOC, PM data is to be completed, 306-7-a cannot be fully disclosed. Due to lack of uniform standards for statistics, POP and HAP data not quantified.

Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions and Environmental Impact		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Emissions and Environmental Impact During the reporting period, the company's waste was disposed of in a compliant manner and did not involve any significant actual or potential impacts		
	306-2 Management of significant waste-related impacts	Resource Management Emissions and Environmental Impact		
	306-3 Waste generated	Key Performance Table		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Key Performance Table Total weight of non-hazardous industrial solid waste (non-hazardous waste) and hazardous waste recycled has been disclosed, of which part of the non-hazardous industrial solid waste is recycled internally by the company, but it accounts for a small percentage and does not have a significant impact, so it is not included in the scope of statistics.		
	306-5 Waste directed to disposal	Key Performance Table Total weight of non-hazardous industrial solid waste and hazardous waste directed to disposal have been disclosed, and the company's waste directed to disposal is disposed of by third parties.	Information incomplete	Data is not disaggregated by disposal operation and 306-5-b/c/d is not yet available to be fully disclosed.

Supplier Environmental Assessment

GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Management Responsible Sourcing		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria 8	Supply Chain Management	Information incomplete	Such information is not complete yet and 308-1-a is not available to fully disclose.
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Sourcing Key Performance Table	Confidentiality constraints	Due to the Company's information confidentiality requirements, 308-2-b/c/d/e is not yet available for disclosure.

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
Employment				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance	Confidentiality constraints	Due to the Company's information confidentiality requirements, 401-1-b is not yet available for disclosure.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits		
	401-3 Parental leave	Employee Rights and Benefits Key Performance	Information incomplete	The total number of returns has been disclosed. 401-3-c is not yet disaggregated by sex, so it is not available to be fully disclosed. Due to the Company's information confidentiality requirements, 401-3-d/e is not yet available for disclosure.
Labor/Management Relations				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omission	Information unavailable	Such information is not counted yet and is not available for disclosure.
Occupational Health and Safety				
GRI 3:Material Topics 2021	3-3 Management of material topics	Occupational Health and Safty		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safty		
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safty		
	403-3 Occupational health services	Occupational Health and Safty		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safty		
	403-5 Worker training on occupational health and safety	Occupational Health and Safty		
	403-6 Promotion of worker health	Employee Rights and Benefits Occupational Health and Safty		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safty		
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safty		
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Occupational Health and Safty Key Performance	Confidentiality constraints	Due to the Company's information confidentiality requirements, 403-9-a-ii/iii/iv/v, 403-9-b, 403-9-c is not yet available for disclosure.
	403-10 Work-related ill health	Occupational Health and Safty	Confidentiality constraints	Due to the Company's information confidentiality requirements, 403-10-a/b/c is not yet available for disclosure.
Training and Education				
GRI 3:Material Topics 2021	3-3 Management of material topics	Talent Development and Retention		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Performance		
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development and Retention		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development and Retention		
Diversity and Equal Opportunity				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Key Performance		
	405-2 Ratio of basic salary and remuneration of women to men	Omission	Confidentiality constraints	Due to the Company's information confidentiality requirements, this data is not yet available for disclosure.
Non-discrimination				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Benefits		
Child Labor				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Benefits		
Forced or Compulsory Labor				
GRI 3:Material Topics 2021	3-3 Management of material topics	Employee Rights and Benefits		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Benefits		

GRI Standards	Disclosure	Reference chapter/Website reference/Remarks	Omissions	Explanations
Local Communities				
GRI 3:Material Topics 2021	3-3 Management of material topics	ESG Management/Value Co-creation		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental Management		
	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental Management Emissions and Environmental Impact During the reporting period, the Company's construction projects all complied with the requirements of laws and regulations related to ecological environmental protection, and there were no operating points with significant negative impacts		
Supplier Social Assessment				
GRI 3:Material Topics 2021	3-3 Management of material topics	Supply Chain Management Responsible Sourcing		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	Information incomplete	Such information is not complete yet and 414-1-a is not available to be fully disclosed.
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Sourcing Key Performance	Confidentiality constraints	Due to the Company's information confidentiality requirements, 414-2-b/c/d/e is not yet available for disclosure.
Customer Health and Safety				
GRI 3:Material Topics 2021	3-3 Management of material topics	Product Safety and Quality		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Safety and Quality		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Safety and Quality		

Independent Assurance Statement

Introduction

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

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000ASv3) Moderate level of assurance.

Scope & Type of Assurance

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

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

Assurance Methodology

Our assurance activities included:

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

Limitations

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

Our assurance work did not cover financial report and its financial data, and other information not related to sustainability, limited to the contents of the Report.

Conclusions

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

- EVE Sustainability report (2023) and its contents adhere to the AA1000 AccountAbility Principles and align with GRI Sustainability Reporting Standards (GRI Standards).
- EVE has implemented management processes to collect and aggregate key performance data related to material issues within the reporting boundary, while the company identifies, evaluates, defines and manages material issues.

- The sustainability information and performance indicators disclosed in this report have been evaluated and supported by documentary evidence to reflect EVE's sustainability management and practices.

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

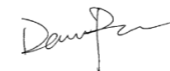
Adherence to the AA1000 AccountAbility Principles

Inclusivity: EVE's identified key stakeholders include governments and regulators, shareholders and investors, employees, customers, suppliers and partners, media and industry associations, as well as the public and the community. The company's relevant business units continue to communicate and exchange with various stakeholders through diversified communication channels to respond to concerns in a timely manner. Supporting evidence shows that EVE conducted an online questionnaire survey of these stakeholders in 2023 to understand their views and expectations on the current status and future of the company's sustainable development practices, including suggestions for improvement. This report discloses information on the content of stakeholder communications, including issues of concern.

Materiality: EVE regularly conducts materiality assessments. Supporting evidence demonstrates that in 2023, based on the results of the stakeholder questionnaire survey to understand their hot spots, and combined with the company's sustainable development goals, industry development trends, and domestic and foreign sustainability-related standards, the company analyzed, evaluated and prioritized the topics from the two dimensions of "importance to the company's sustainable development" and "importance to stakeholders", and formed a matrix of material issues. As shown in the matrix diagram, the material topics disclosed in this report include, but are not limited to, employee safety, product safety, compliance operations, employee rights, carbon emission management, and energy conservation and consumption reduction, etc., in order to focus on responding to the concerns of key stakeholders. The results of the analysis of the above material issues and the topic matrix have been reviewed and approved by the company's sustainability committee.

Responsiveness: EVE has established a regular communication mechanism to conduct regular exchanges and interactions with key stakeholders on the company's sustainability issues and expectations and provide timely and appropriate responses. These interactions include public disclosure to meet regulatory compliance requirements, customer research, internal information platforms, employee training, supplier audits and training, industry forums, and community events. Supporting evidence shows that in 2023, the company has set up a new compliance consultation mailbox to provide stakeholders with reporting services to prevent or avoid violations of the Code of Business Conduct. In addition to the disclosure of information in regular social responsibility reports, in 2023, the company also launched or updated relevant policies on sustainable development, including labor rights protection, business conduct standards, and environmental management policies, etc., and published them on the company's official website in a timely manner. This report discloses key performance indicator data, which covers greenhouse gas emissions, other significant emissions and waste, employee management, health and safety, supply chain management, and environmental emissions and permits of key environmental regulatory units, and these data disclosures are comparable. In addition, in 2023, EVE launched the Energy Digital Management 2.0 system, which provides a basis for real-time monitoring, collection and analysis of energy data.

Impact: EVE Sustainability Committee regularly reviews the SDGs and roadmap and aligns them with the United Nations Sustainable Development Goals (SDGs). The company focuses on sustainable development areas that have a significant impact on its business operations and combines risk management and compliance management to implement environmental impact assessment of new construction projects, identification and management of occupational health and safety risks, labor and human rights management in accordance with the law, and analysis of the potential impact of climate change. This report discloses specific actions in the areas of company's three major sustainable development goals. Supporting evidence shows that the company has conducted due diligence covering compliance, environment, human rights, and supply chain environmental and social impacts in 2023. The company also takes into account the impact of sustainability in its analysis of material issues. collection and analysis of energy data.



Daniel Pan

Corporate Sustainability Service Technical Manager

TÜV Rheinland (Shanghai) Co., Ltd

Shanghai, China, 3 April 2024



Company address: 38 Huifeng 7th Road, Zhongkai Hi-Tech District, Huizhou

Website: www.evebattery.com

Tel: +86-0752-5707101