

Environmental, Social and Governance Report



CONTENTS

Message from ATW

Notes on the Report

- Reporting period
- Scope of report
- Report release
- Principles of preparation
- Glossary
- Information sources

Appendices



About ATW

Overview	03
Strategy and culture	03
Business layout and development	04
History	05
Honors in 2023	06
Performance summary	07

Responsible Management

ESG working mechanism	08
Stakeholder communication	09
Identification of material topics	10

Chapter I Independent R&D • ATW Innovation

Innovative R&D system	14
Innovative R&D initiatives	18
Innovation achievements	20
Intelligent development and digital upgrade	22

Chapter II Solid Foundation • Characteristic Governance

Organization	26
Operation of the three meetings	26
Protection of shareholders' rights and interests	28
Internal control and risk management	30
Anti-corruption and anti-bribery	31
Party building	32

Chapter III Good Faith • Greater Prosperity

Employment equity and diversity	37
Protection of employee rights and interests	38
Promoting employee development	40
Care for employee well-being	43
Protection of employee health and privacy	44

Chapter IV Priority to Safety • Focus on Quality

Production safety management	48
Product quality management	50
Improving customer service	53

Chapter V Contribution to Society • Constant Dedication

Tax payment according to law	59
Public interest activities and donations	59
Community building and development	59
Volunteer activities	60

Chapter VI Close Cooperation • Win-win Outcomes

Sustainable supply chain	63
Support for industrial development	67

Chapter VII Green Development • Low-carbon Practices

Environmental management	70
Pollutant management	71
Energy resource management	72
Green operations	73
Carbon emission management	74

MESSAGE FROM
AUTOWELL

Year-on-year growth of operating income and net profit exceeded

70 %

No. of intellectual property rights obtained by the end of 2023

1,605

No. of employees

4,832

Amid the complicated and changing uncertainties in global economy, Autowell has maintained rapid development in 2023. The Company's performance has achieved substantial growth, evidenced by the signing of new orders worth over CNY 10 billion, year-on-year growth of over 70% in terms of operating income and net profit, as well as the market share of over 60% for the Company's core product, ultra-high-speed MBB Cell Soldering Stringer. Meanwhile, we have carried out environmental, social and governance responsibilities and integrated the concept of sustainability into all aspects of the Company's operations.

Adhere to innovative development and promote green socio-economic development

Since China's "dual carbon goals" were proposed, the upgrading of PV power generation technology has boosted the development of the PV industry. Autowell has since increased its investment in R&D to continuously improve key technical capabilities and upgrade its product technologies. By the end of 2023, it had obtained a total of 1,605 intellectual property rights. New products, such as high-speed welding systems, various OBB process equipment, XBC equipment, and intelligent ultra-low-oxygen monocrystal growth furnace, have been launched in the market. The process optimization not only improved the performance of new products, but also reduced the energy consumption of the products. Low carbonization is a key link of high-quality development. Autowell has further promoted green production and operations. The Company developed a green and low-carbon sustainability model by utilizing renewable energy, improving energy efficiency, and advocating green offices. Training and other measures were adopted to improve employees' awareness of sustainability and environmental protection, thereby reducing carbon emissions in production and life.

Optimize the governance structure and standardize operations

The Company has set up relevant management and governance systems, strictly observes laws, regulations and industry requirements, sets up effective channels to communicate with investors, promptly discloses major information to investors and other stakeholders, shares the corporate achievements and development plans, and gives play to the leading role of Party building, in a bid to ensure the Company's stable operation and sustained development. Standardized operation lays the foundation of a company. We have established a sound internal management system. Pillared by internal systems and approval processes, we

have developed complete and standardized models for R&D, procurement, production, and sales. We are committed to protecting the rights and interests of shareholders and creditors and fulfilling our obligations for information disclosure. We communicate with investors via multiple channels and promptly disclose important information to investors and other stakeholders. We have improved operating efficiency through building information system, optimizing management process, and refining production management. We attach great importance to internal control and risk management, while further strengthening information security, clean business practices, and IPR protection, so as to ensure the Company's stable operation and sustained development.

Fulfill social responsibilities and achieve win-win results for all parties

The Company protects the rights and interests of customers and suppliers, delivering goods with guaranteed quality and quantity and making payments in full and on time completely in line with the contract requirements. By the end of 2023, the Company had 4,832 employees. The Company has consistently upheld the people-oriented principle, strictly abides by laws and regulations, adheres to legal and reasonable employment, resolutely protects the rights and interests of employees, and promotes the common development of the Company and employees through the implementation of equity incentives. The Company has established a complete production system and quality system to ensure product quality and safety. The Company attaches great importance to shareholder returns. In 2023, apart from cash dividends, there were two share repurchases, demonstrating the confidence in the Company's development prospects.



In the future, Autowell will continue to follow the path of technological innovation, devote to the mission of "Building Smart Factory With New Technologies, Driving Global Intelligent Manufacturing", strive to advance intelligent manufacturing, and inject green momentum into the sustainable development of the Company and society.



NOTES ON THE REPORT

REPORTING PERIOD

The Report covers a period from 1 January 2023 to 31 December 2023. However, certain statements may be beyond the aforesaid period to ensure the comparability of the Report.

SCOPE OF REPORT

This Report centers on Autowell. Unless otherwise specified, the scope of this Report is consistent with the scope of the Company's annual report.

REPORT RELEASE

This Report is the first Environmental, Social and Governance (ESG) report released by Wuxi Autowell Technology Co., Ltd.

PRINCIPLES FOR PREPARATION

This Report is prepared pursuant to the “Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange”, “Guidelines No. 1 of the STAR Market of Shanghai Stock Exchange for Self-regulation of Listed Companies — Standardized Operation”, “Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 5.0)” issued by the Research Center for Corporate Social Responsibility of Chinese Academy of Social Sciences, GRI Standards (2021), and the United Nations' Sustainable Development Goals (SDGs).

GLOSSARY

The following glossary of terms is included for the reader's convenience.

Abbreviation	Full name
ATW, the Company, our company, we, the group	Wuxi Autowell Technology Co., Ltd.
ATW Intelligent	Wuxi Autowell Intelligent Equipment Co., Ltd., a holding subsidiary of the Company
ATW Supply Chain	Wuxi Autowell Supply Chain Management Co., Ltd., a wholly-owned subsidiary of the Company
ATW Optica	Wuxi Autowell Optical Application Co., Ltd., a holding subsidiary of the Company
SCEC	Wuxi Songci Electromechanical Co., Ltd., a holding subsidiary of the Company
ATW Coshin	Wuxi Autowell Coshin Semiconductor Technology Co., Ltd., a holding subsidiary of the company
ATW XuRi	Wuxi Autowell XuRi Technology Co., Ltd., a holding subsidiary of the Company
Leddo Technology	Wuxi Leddo Technology Co., Ltd., a holding subsidiary of the Company
Wuxi Zhiyuan	Wuxi Autowell Zhiyuan Equipment Co., Ltd., a holding subsidiary of the Company
ATW Jiexin	Wuxi Autowell Jiexin Technology Co., Ltd., a holding subsidiary of the Company
Polar PV	Polar Photovoltaics (Bengbu) Co., Ltd., a wholly-owned subsidiary of the Company
Wuxi Polar	Wuxi Polar Photovoltaics Co., Ltd., a holding subsidiary of the Company

INFORMATION SOURCES

The qualitative and quantitative information in this Report is sourced from ATW's public information, internal documents and relevant statistical data.

ABOUT AUTOWELL

OVERVIEW

Wuxi Autowell Technology Co., Ltd. was founded in 2010 and recognized as a national high-tech enterprise for the first time in 2015. It has been awarded as a Jiangsu Small Giant Enterprise of Science and Technology, a Potential Unicorn Enterprise in South Jiangsu National Innovation Demonstration Zone, Wuxi Quasi-Unicorn Enterprise, among others. ATW is a renowned intelligent equipment manufacturer in the sectors of photovoltaics, lithium batteries and semiconductors.

ATW has several subsidiaries, including ATW Intelligent, SCEC, ATW XuRi, ATW Coshin, and Leddo. Its expanding PV product portfolio now serves the four major sectors of PV industry chain: Rod, Wafer, Cell and Module. The competitive flagship products MBB Cell Soldering Stringer and Wafer Inspection System are well recognized by the leading enterprises in the PV industry and have gained a large market share.

Following the development trends of new energy vehicles, energy storage and consumer electronics markets, the Company has independently developed Lithium-ion Battery Module, PACK Production Line, and Lithium-ion Battery Appearance Inspection Machine, winning repeat orders from well-known enterprises in the industry. In addition, we have received bulk orders for the self-developed product Wire Bonder that's officially launched onto the market in 2021.

In the future, Autowell will be committed to providing customers with all-round and intelligent solutions for the industry chain, creating greater values for customers, and making greater contributions to the industry.

STRATEGY AND CULTURE



Vision

Wherever there is a factory, there is ATW's intelligent manufacturing system.



Mission

Build Smart Factory With New Technologies Drive Global Intelligent Manufacturing.



Values

Competitive Innovation & Leading Technology; Superior Quality; Efficient Services; Valuable Trust.

BUSINESS LAYOUT AND DEVELOPMENT

As a renowned intelligent equipment manufacturer in the sectors of PV, lithium batteries and semiconductors, ATW's product portfolio now serves the four major sectors of PV industry chain: Rod, Wafer, Cell and Module. The competitive flagship products MBB Cell Soldering Stringer and Wafer Inspection System are well recognized by the leading enterprises in the PV industry and have gained a large market share. The Company has independently developed Lithium-ion Battery Module, PACK Production Line, and Lithium-ion Battery Appearance Inspection Machine, winning repeat orders from well-known enterprises in the industry. In addition, we have received bulk orders for the self-developed product Wire Bonder that's officially launched onto the market in 2021. Meanwhile, we have continued to expand product development in the packaging & testing sectors of the semiconductor industry.

..... PV business

Covering four major sectors of the PV industry chain



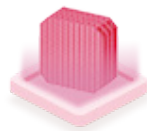
Rod

Monocrystal growth furnace; Ingot automation equipment



Wafer

Wafer inspection system; Laser coder/decoder; Silicon wafer packaging equipment; Automatic re-inspection packaging line



Cell

Screen printing production line; light-induced annealing furnace; Metallization-annealing integrated furnace; Packaging line and intelligent logistics line; LEM equipment



Module

MBB cell soldering stringer; Laser dicing saw; Bussing machine; Layup machine; High-speed welding system; Junction box welding machine; PV module laminator

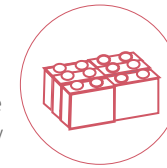
..... Lithium battery business

Module & Pack & Container Automatic Assembly Line



Energy Storage

ESS module & pack assembly line; Intelligent assembly line of container-type energy storage system



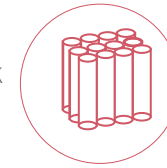
Prismatic cells

Prismatic energy storage module/PACK production line; Prismatic dynamics module/PACK production line



Pouch cells

Pouch module/PACK production line

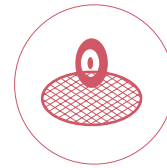


Cylindrical cells

Cylindrical cells module/PACK production line

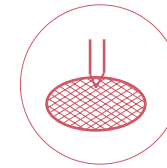
..... Semiconductor business

Covering four major sectors of the packaging & testing in the semiconductor industry



Dicing

Dicing saw
Wafer cleaner



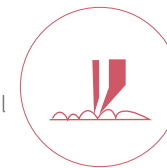
Die bonder

Slicker solder die bonder
Automatic epoxy die bonder



AOI inspection

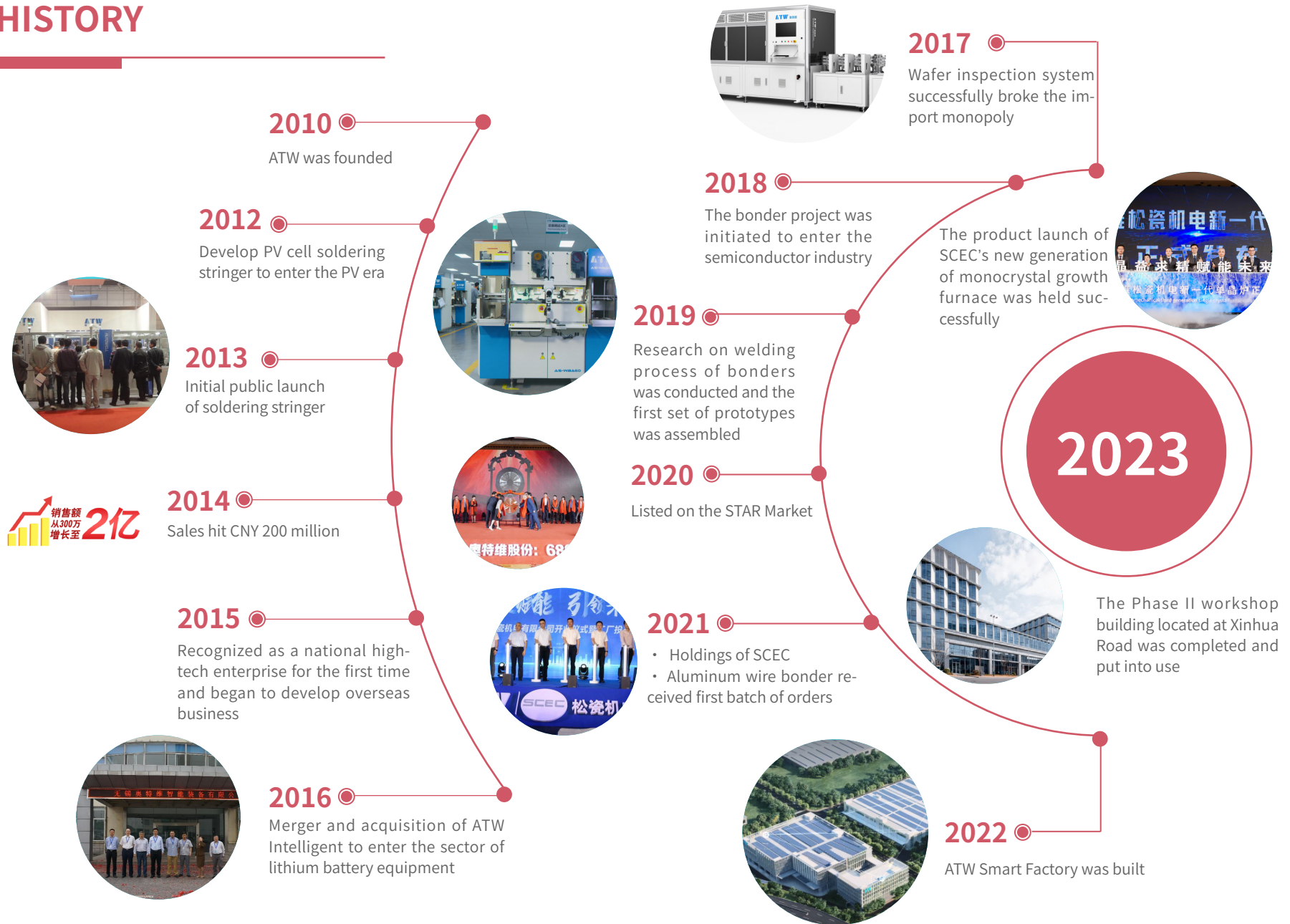
Hybrid module optical inspection system



Wire bonder

Aluminum wire bonder
Hybrid module bonder

HISTORY



HONORS IN 2023

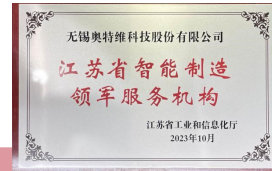
National honors



National High-tech Enterprises (SCEC, XuRi)



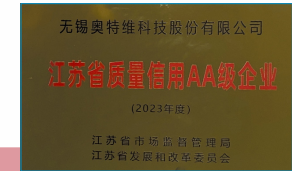
Provincial honors



Jiangsu Provincial Leading Service Providers in Intelligent Manufacturing



Jiangsu Provincial Green Factory



Jiangsu Province AA-level Quality Credit Enterprise

Industrial honors



2023 Golden Leopard awards for "Technical Excellence" and "Advanced Soldering Stringer"



"Intelligent Manufacturing Model" & "Chief Brand Officer"



Wuxi Key Laboratory of Photovoltaic Equipment Advanced Manufacturing Technology



Wuxi Patent Gold Award

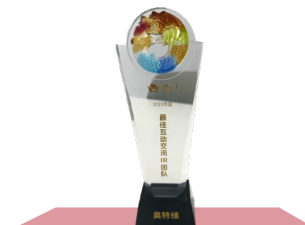


"2023 Best Talent Gathering Unit" in Wuxi

Others



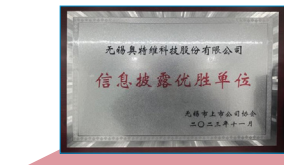
Top 30 Most Valuable Companies Listed on the STAR Market in the 17th Ranking of Listed Chinese Companies by Value



2023 Best Interactive IR Team



The 14th Investor Relations "Pegasus Awards" for Listed Chinese Companies



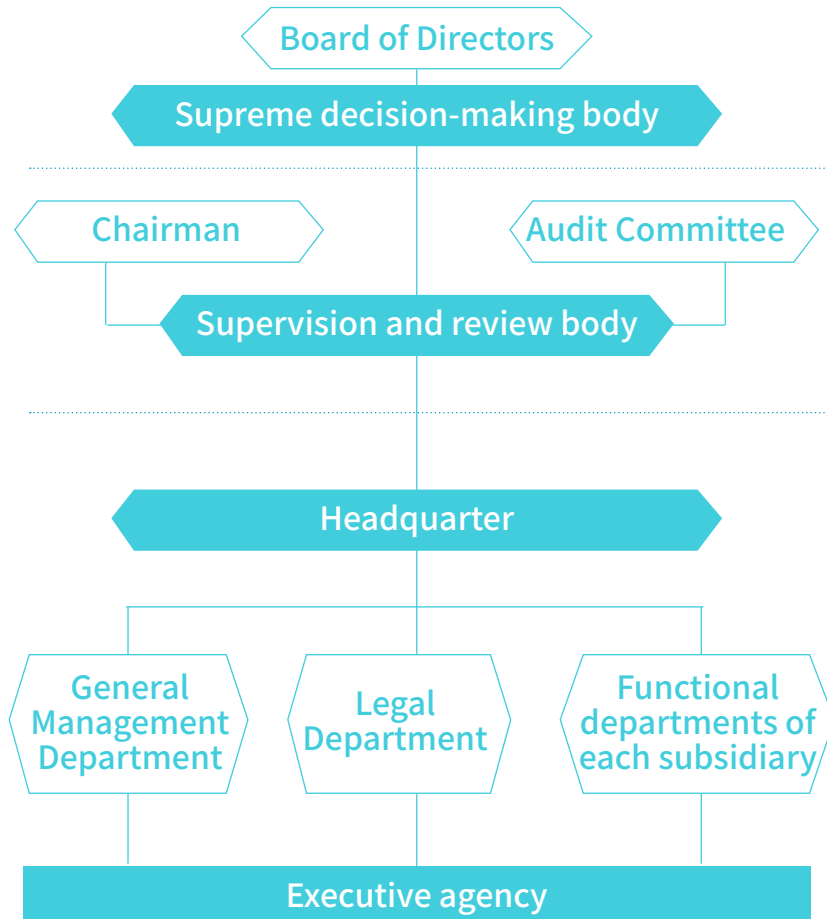
Outstanding Units in Information Disclosure

PERFORMANCE SUMMARY

Governance			Environment			Society		
Index	Unit	2023	Index	Unit	2023	Index	Unit	2023
Operating income	CNY 100 million	63.02	Electricity consumption	10,000 KWh	589.45	R&D expenses (including share-based payment)	CNY 10,000	32,730.77
Total assets	CNY 100 million	156.17	Fuel consumption	Ton	132.83	R&D investment as a share of operating income	%	5.19
Net profit attributable to shareholders of listed companies	CNY 100 million	12.56	Natural gas consumption	KNm ³	46.26	No. of R&D technicians	person	875
Total tax paid	CNY 100 million	6.61	Municipal water supply	Ton	72,697	No. of granted IPRs during the reporting period	piece	358
Social contribution per share	CNY	5.59	GHG Scope 1	tons CO ₂ e	583.53	No. of granted invention patents during the reporting period	piece	32
No. of board meetings held	times	23	GHG Scope 2	tons CO ₂ e	7,124.93	No. of employees	person	4,832
No. of matters discussed and reviewed by Board	times	82	Annual investment in environmental protection	CNY 10,000	7.36	Percentage of female employees	%	11.61
No. of Supervisory Board meetings held	times	22				No. of employees aged above 40	person	359
No. of matters discussed and reviewed by Supervisory Board	times	71				No. of employees aged between 31 and 40	person	1,816
No. of shareholders' meetings held	times	5				No. of employees aged 30 and below	person	2,657
No. of matters discussed and reviewed at the general meeting of shareholders	times	22				Labor contract signing rate	%	100
No. of performance briefings held	times	6				Social insurance coverage	%	100
No. of commercial bribery litigation cases	times	0						

A solid governance structure constitutes a vital pillar for efficient operations. In 2023, starting from the preparation of ESG report, ATW set up an ESG working group and unified the understanding of EGS philosophy between employees and the Company through diversified means, including publicity of ESG concepts, identification of material ESG topics, gathering of ESG information, and interviews with experts.

ESG WORKING MECHANISM



- The Board of Directors is the Company's supreme decision-making body on ESG governance, responsible for the overall planning and coordination of ESG work.

- The chairman is responsible for supervising and reviewing the Company's ESG strategy, goals and annual work plans, and reporting ESG implementation results and major plans to the Board.
- The Audit Committee also participates in the Company's review and decision-making on ESG-related matters such as addressing climate change and ensuring health and safety.

- The Company headquarter is responsible for coordinating and promoting the implementation of ESG-related work. The General Management Department, Legal Department, and relevant departments of each subsidiary are responsible for the management of various specialized ESG-related matters.

* A separate dedicated executing agency—ESG Working Group is set up under the General Management Department, comprising the heads of the General Management Department and each subsidiary's functional departments related to social responsibilities.

* The ESG Working Group is also responsible for implementing specific ESG policies and goals. The group includes an environmental, safety and health specialist responsible for the Company's environmental-related affairs. The Company's Securities Investment Department is responsible for corporate governance matters.

- Each subsidiary is responsible for the execution and implementation of specific work in line with the ESG management systems and ESG-related overall plans, targets and tasks.



STAKEHOLDER COMMUNICATION

ATW values the opinions of all stakeholders and accurately identifies stakeholders among shareholders, investors, employees, customers, suppliers, partners, government and regulatory agencies, media, and communities. The Company has established an effective communication mechanism to communicate with stakeholders on a regular basis through various channels, including websites, media platforms, meetings, reports, and activities, in a bid to fully understand and respond to the concerns of stakeholders.

Stakeholders	Expectations & demands	Communication & response	Stakeholders	Expectations & demands	Communication & response
 Employee	Compliant protection of rights and interests; Mature salary system; Effective promotion mechanism	Employee activities; Training programs; Salary system; Promotion mechanism	 Government	Compliance management; Pay taxes according to law; Increase employment	Government symposium; Receive government visits
 Customer	Product quality; Customer service; Business ethics	Enhance quality control; Customer review; After-sales service	 Regulatory authority	Compliant operations; Compliance with regulatory requirements; Response to development policies	Information disclosure; Cooperate with supervision; Submit reports; Learn the latest policies and rules
 Suppliers & partners	Supplier management; Business ethics	Technical Seminar; Supplier visits; Supplier management system	 Media	Economic performance; Compliance management; Development strategy; Labor and human rights; Environment and energy management; Social responsibilities	Official website; WeChat official account; Media briefing; Press conference
 Shareholders & investors	Return on investment; Protection of rights and interests; Corporate governance; Investor relations	Information disclosure rating; Shareholders' meeting Performance briefing; Promotional road show	 Community	Talent employment; Charity activities; Community service; Environment and energy management	Official website; WeChat official account; Community activities; Volunteer activities

IDENTIFICATION OF MATERIAL TOPICS

To better identify the material ESG topics related to the Company's operations, we conducted surveys, identification, evaluation and screening of material topics, and collected opinions from internal and external stakeholders through questionnaires. In addition, we constructed the matrix of material topics for analysis based on the "the degree of importance to the Company's sustainable development" and "degree of importance recognized by stakeholders", so as to evaluate the ranking of topics.

PROCESS TO IDENTIFY MATERIAL TOPICS

Identify the sustainability-related material topics in the Company's industry and establish a library of such topics with reference to the relevant evaluation factors of ESG ratings in the capital market, such as MSCI, S&P DJSI, CDP, Morningstar, Wind, and Sino-Securities Index, in combination with GRI standards, UN SDGs, SASB Standards, and other international standards and goals related to sustainability management, as well as the material topics identified by companies in the same industry.



Conduct stakeholder interviews to collect feedback and suggestions from various stakeholders on the Company's sustainability practices and strategies for future sustainability.

Prepare an online survey questionnaire for the evaluation of material ESG topics and invite various stakeholders to rate the importance of the corresponding ESG topics.

Based on the results of the above questionnaire and the Company's development situation, evaluate the topics from perspectives of "importance to stakeholders" and "importance to ATW's development", rate and rank the topics by the degree of importance, and produce a matrix.

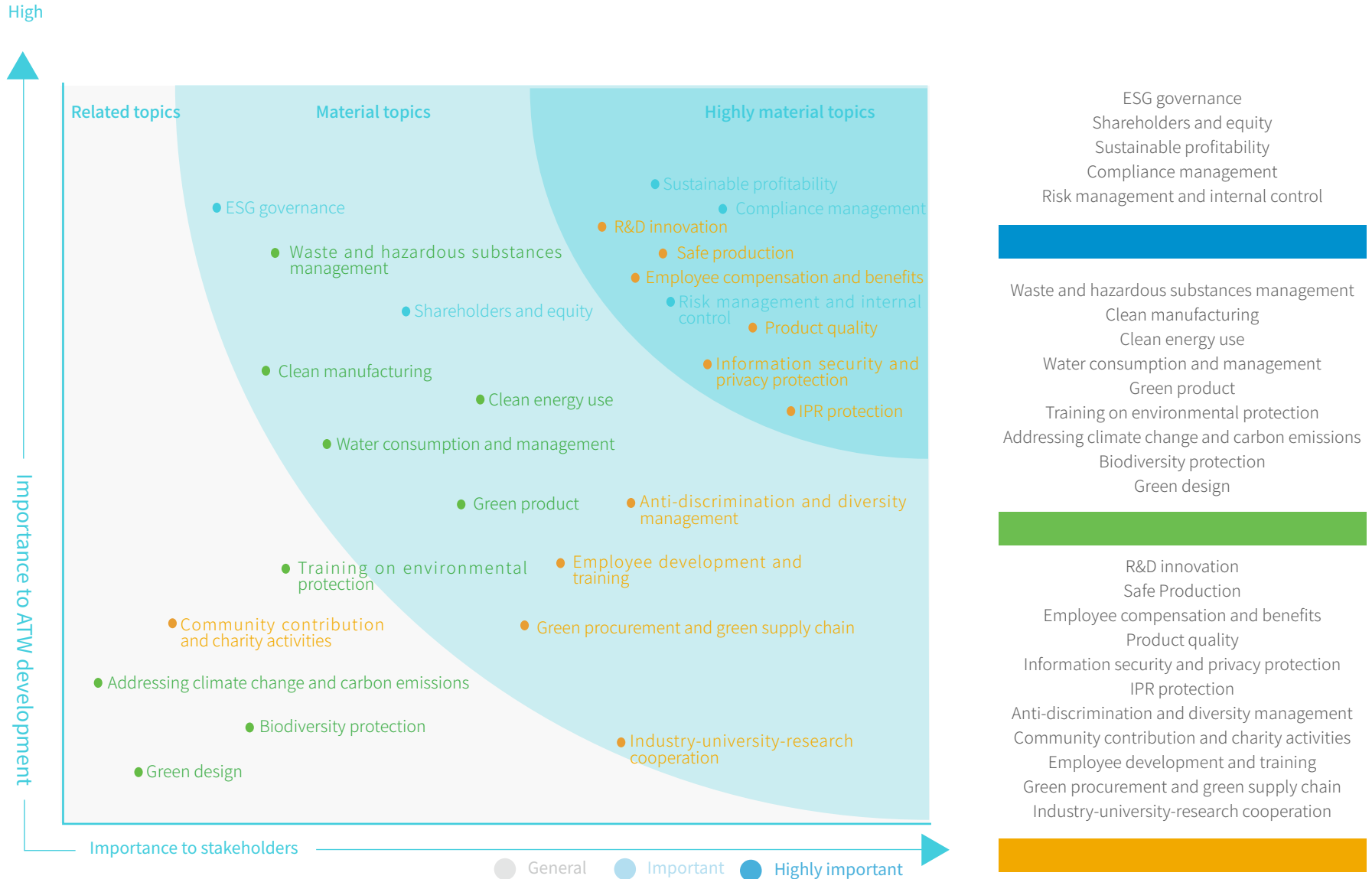
Highly material topics	Material topics	Related topics
9	11	5

Based on the analysis results of material topics, this Report provides detailed disclosure of highly material topics in response to internal and external concerns.

Valid questionnaires	Engaged stakeholders
438	6 categories

Internal interviews involve business leaders and employee representatives.

MATRIX OF MATERIAL TOPICS



INDEPENDENT R&D ATW INNOVATION

Upholding the philosophy of innovation-driven development, ATW has pursued self-development and contributed to national development based on sci-tech innovation. To this end, the Company has proactively brought in advanced technologies and high-caliber talents at home and abroad, deeply engaged in collaboration with universities and research institutes valued the protection of intellectual property rights, and constantly strengthened its R&D strength and innovation capabilities. Building on the continuously improving R&D system, we have further upgraded our product advantages, continuously expanded R&D areas, enhanced technological applications in products, and created greater value for customers.

SDGs

12 Sustainable consumption and production



9 Industry, innovation and infrastructure



- ◆ Innovative R&D system
- ◆ Innovative R&D Initiatives
- ◆ Innovation achievements
- ◆ Intelligent development and digital upgrade

Our achievements

R&D investment

R&D investment

CNY 327,307,700

Percentage in operating income

5.19 %

Innovation achievements

Patent filings

399

Including invention patents

84

2023

Licensed IPRs

358

Including invention patents

32

Patent filings

2,219

Including invention patents

556

Cumulative amount

Licensed IPRs

1,605

Including invention patents

102

Intelligent development

Manufacturing automation rate

14 %

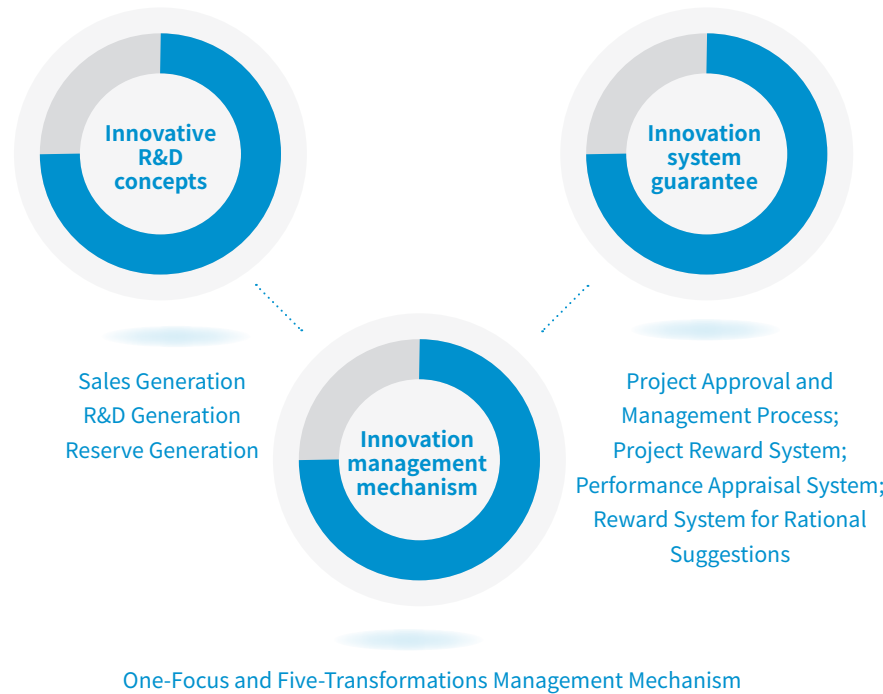
Intelligent development delivers the first-pass yield above

97.55 %

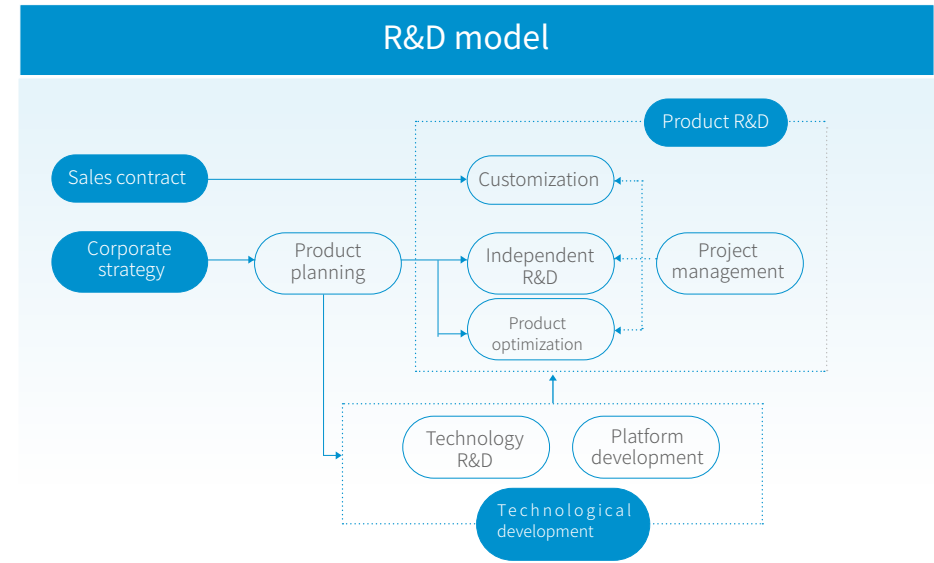
(Note: Overall pass rate)

Innovative R&D system

Innovative R&D model



Oriented toward technological innovation and customer demand, the Company has continued to increase investment in scientific research to ensure its sustained competitiveness. We established the three-pronged approach for product development, ensuring “the sales of one generation of product to be followed by the R&D and reserve for the next generation of product”. By comprehensively evaluating the three key areas of sales, products and R&D, we hold regular meetings to gain an in-depth understanding of the main trends in the market and future development trends of emerging technologies. Based on customer needs, we have constantly adjusted and optimized product routes to ensure that products are always aligned with the market so as to achieve sustainable development.



In the practice of innovation projects, we have established an innovation management mechanism featuring “one focus and five transformations” based on product lines and pillared by IT.



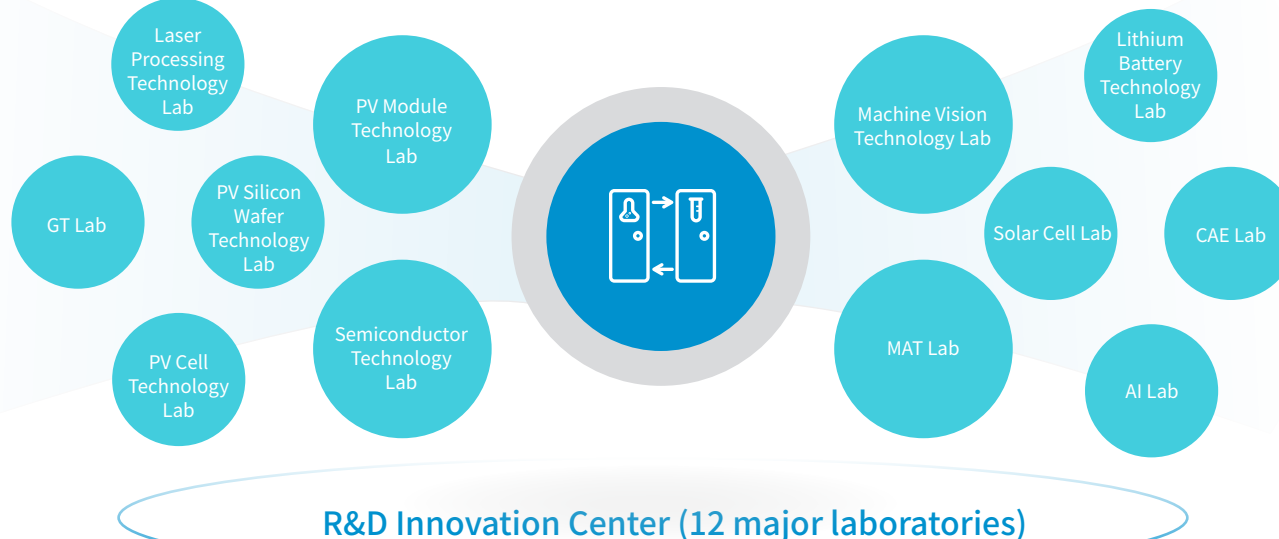
Innovative R&D system

Three major R&D management bodies

The Company has set up the Project Management Committee, Standardization Management Committee, and Experimental Center Management Committee to coordinate and make decisions on major technological and management innovation projects.

Twelve technological innovation labs

ATW has vigorously explored to grow into a global supplier of core intelligent equipment for the emerging industries and transformation of traditional industries based on the needs and technical characteristics of the three major industries of PV, semiconductors, and lithium batteries, in combination with the application of comprehensive technical means in mechanics, electrics, electronics, optics, machine vision, robotics, and computer. We have established 12 major laboratories centering on PV, semiconductors, and lithium batteries, fully equipped with advanced testing equipment, including non-destructive dicing saw, nanosecond infrared lasers, Beckhoff systems, area-array cameras, high-temperature heating test platforms, small automatic solar module laminators, and battery internal resistance tester, in a bid to safeguard technological innovation.



Three major innovative industrialization practice bases

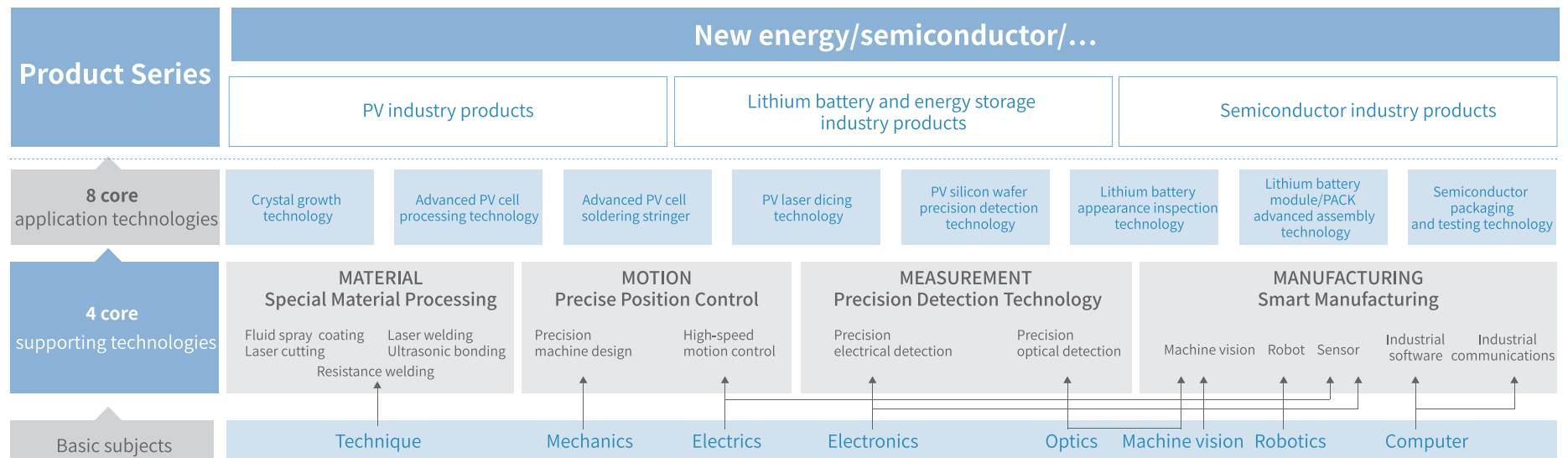
With the focus on the R&D of PV, lithium batteries, and semiconductor equipment and the industrialization of key processes, and with a view to attracting external resources for coordinated development, the Company has successively established the Jiangsu Provincial Engineering Technology Research Center, the Jiangsu Provincial Enterprise Technology Center, and the Jiangsu Provincial Postdoctoral Innovation Practice Base, in a bid to jointly promote the Company to develop new products and technologies that align with market demands and the Company's development strategy to ensure the Company's competitive edge in the industry.



Innovative technology reserves and products under development

Technical reserves

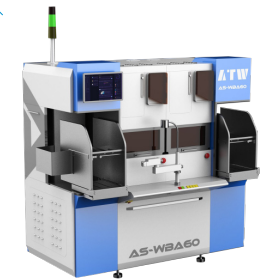
ATW's innovative thinking has been embedded into the products throughout the lifecycle. Building on years of continuous R&D investment and technology accumulation, the Company has developed an innovative technology reserve system, comprising four core supporting technologies (4M technology) and eight core application technologies. These technologies have been applied to multiple core products of the Company's main business, forming the Company's core product system at the PV silicon wafer end, cell end, and module end.



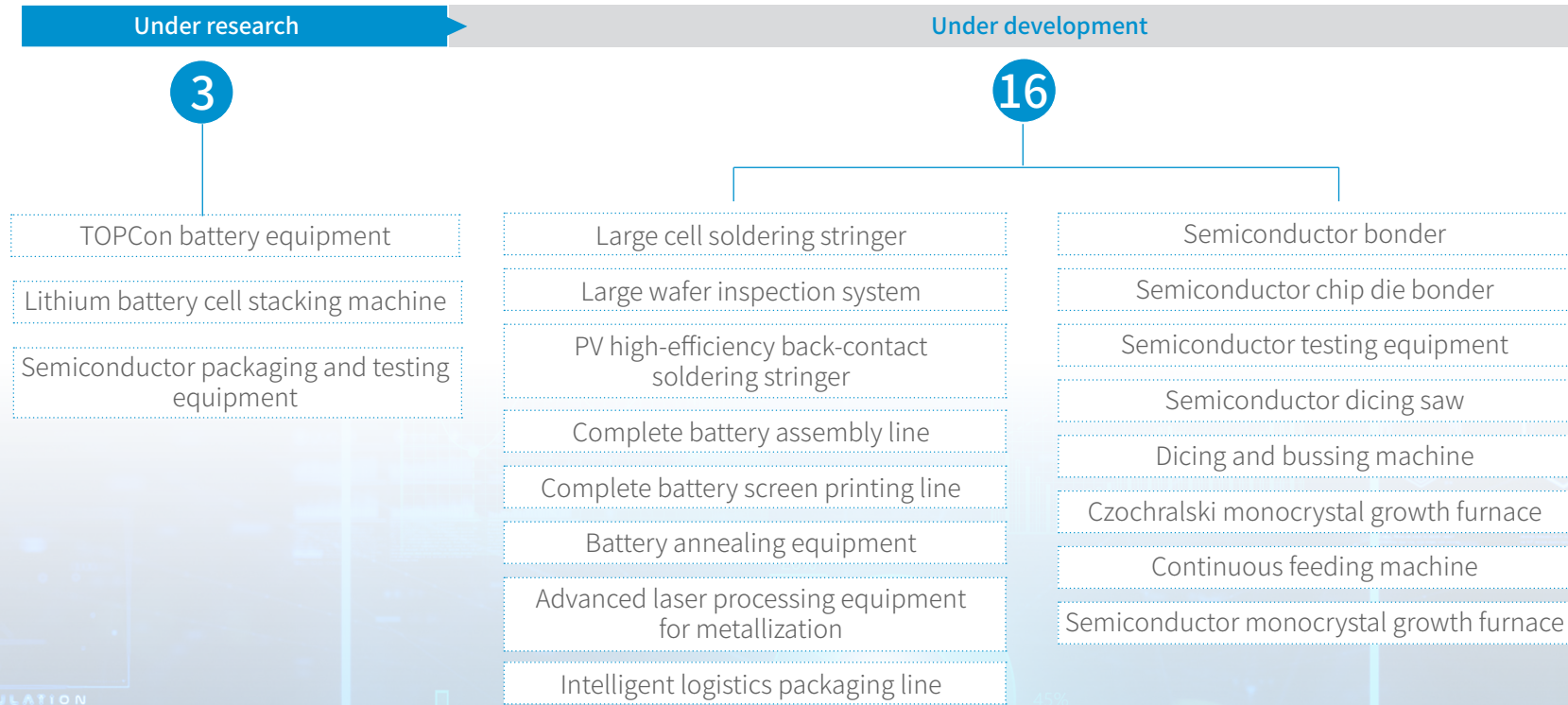
Breaking the monopoly of foreign technologies: semiconductor wire bonding technology

In order to achieve high-reliability welding of semiconductor chip leads, the Company comprehensively applied technologies for ultrasonic welding, high-speed motion control, high-precision optical positioning, and highly sensitive sensor detection to overcome a number of technical difficulties, including ultrasonic applications, pressure control, wire detection, tension detection, multi-axis servo linkage, and visual follow-up positioning.

The project was initiated in 2017. It took 4 years to achieve a repeatable positioning accuracy of $\pm 3\mu\text{m}$, compatible with the technical indicators of 2-20mil aluminum wires and aluminum strips, and a yield rate above 99.95%, breaking the blockade of foreign technologies in this field.



◆ Products under development



INNOVATIVE R&D INITIATIVES

Innovation incentive system

The Company has established a mature innovation incentive system to stimulate the enthusiasm of sci-tech personnel, unlock their potential for scientific research, facilitate the commercialization of sci-tech achievements, and improve the Company's overall technical capacity, management capacity and market competitiveness.

Innovation incentive system	Purpose	Targeted employees
Talent recommendation reward system for all employees	Recommend external professionals	All employees
Sci-tech talent training system	Motivate improvement of technical capabilities	All employees
Li Wen Craftsman Cup Evaluation	Major technological innovations and breakthroughs	All employees
Rational suggestion reward system	Motivate product optimization and technological upgrade	All employees
Patent reward system	Solidify and protect technical achievements	R & D personnel
Scientific research project reward system	Motivate innovation of R&D projects and technologies	R & D personnel
Talent promotion system	Management and professional skills improvement	R & D personnel
Reward system for organized implementation of sci-tech achievements	Encourage the transformation of sci-tech achievements	R & D personnel

Cultivation of innovative talents

To promote sustained product innovation, the Company has continued to optimize its talent training system and cultivate talents with innovative thinking and professional skills. We insist on building a highly educated and high-caliber R&D team. As of the end of 2023, the Company has a total of 875 R&D personnel, up by 23.41% year on year, including 170 with a postgraduate degree or above. They have injected continuous power for the Company's scientific research and innovation and facilitated the Company's sustainable development.

No. of R&D personnel

875

year-on-year growth

23.41 %



No. of R&D personnel with a postgraduate degree or above

170

Innovative technical cooperation

Industry-university-research collaboration

In an effort to further deepen industry-university-research collaboration, the Company has cooperated with Shanghai Jiao Tong University in sci-tech R&D, further integrating independent innovation with industry-university-research collaboration. By means of industry-university integration and university-enterprise collaboration, we have given full play to the complementary advantages of resources, jointly explored new models of cooperation, and strived to create a new trend of industry-university-research collaboration, thereby further elevating the Company's technological innovation.

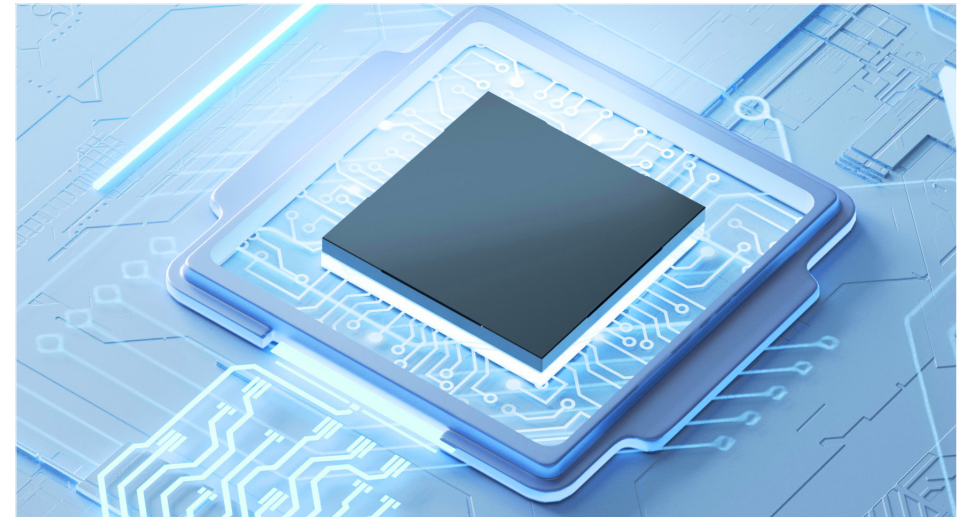


ATW and Wuxi Institute of Technology jointly established the Wuxi ATW Intelligent Manufacturing Institute to train engineering and technical personnel for ATW.



ATW Coshin signed a contract with Taixin Microelectronics to jointly support intelligent manufacturing

On 30 November 2023, ATW Coshin received an order from Hangzhou Taixin Microelectronics Co., Ltd. for more than ten IGBT aluminum wire bonders. The two sides will take advantage of this order to cooperate closely to overcome industrial difficulties and make key contributions to the localized manufacturing of equipment in the semiconductor packaging sector.



Innovation achievements

The Company has stayed current on the technological development in the PV industry chain, lithium battery industry chain, and semiconductor industry chain, while paying close attention to new processes and new technologies in the downstream application industries.

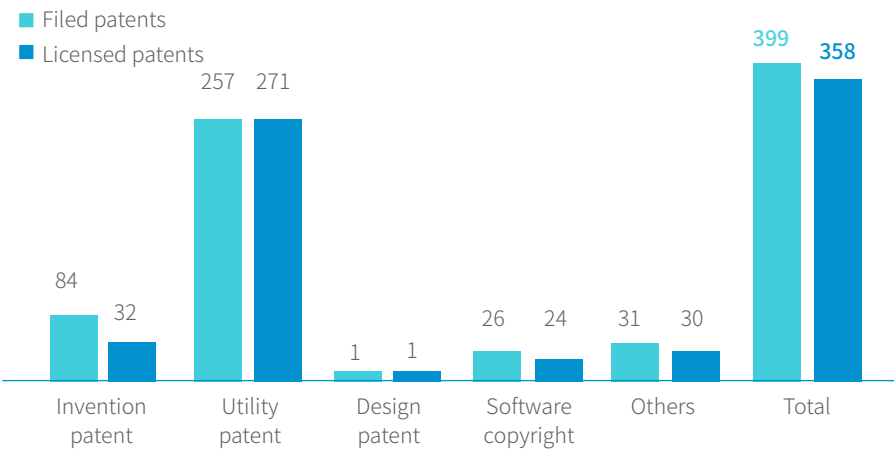
IPR Protection

Committed to innovation-driven sustainable development, ATW attaches great importance to IPR protection in accordance with relevant laws and regulations such as the Patent Law of the People's Republic of China. The Company received the national IPR management system certification for the first time in 2016, and it has remained valid ever since. We now have 11 professional intellectual property engineers, 9 of whom are certified patent agents and 5 of whom have passed Jiangsu Province Intellectual Property Engineer Training Program.

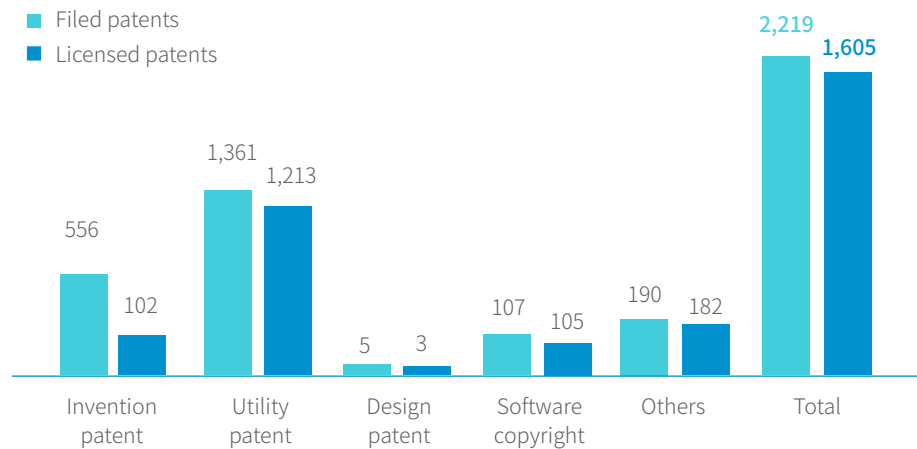
The Company has clarified its IPR policies and goals, established an IPR database, and provided systematic management and financial support to ensure effective legal protection of scientific research results. In addition, a patent planning & decision-making mechanism and an early warning & emergency response mechanism have been established to further implement IPR protection.

To create a favorable environment for technological innovation, ATW has introduced the "IPR Reward System" to reward duty-related inventions, motivate employees to actively engage in technological innovation, and promote continuous progress in technological innovation.

New addition



Cumulative No



Industrialization of innovation achievements

As an industry leader in technological innovation, ATW has made remarkable achievements in the industrialization of innovation achievements. It has successfully transformed a number of scientific research results into competitive products in the market, which helped the industry reduce costs and increase efficiency and promoted technological upgrade. Its R&D team also undertook the “Jiangsu Province Sci-Tech Achievements Commercialization Project” and the “Jiangsu Province High-end Equipment R&D Forging-ahead Project”, and participated in two sci-tech R&D projects, including the “National Science and Technology Planning Project”.

Photovoltaic MBB Cell Soldering Stringer completely replaced imported equipment of the kind

The Company's flagship product “Photovoltaic MBB Cell Soldering Stringer” has accounted for over 60% of the global market share for three consecutive years, with a commanding lead in the world. It has completely replaced imported equipment of the kind in China. The product has been certified as the “National Single Champion Product in the Manufacturing Sector” and the “First Set of Major Equipment in Jiangsu Province” and entered the Jiangsu Province New Technology and New Product Promotion Catalog. In recent years, it has won the “First Prize of Jiangsu Science and Technology Progress in the Machinery Industry”, “Award for Contribution to Development of Private Sci-Tech Enterprise”, “Second Prize of Wuxi Science and Technology Progress Award”, and “Wuxi Phoenix Award for Outstanding Software Products”.



Market share of over
60 %

LEM equipment raises efficiency significantly by up to 0.3%

In the field of PV cells, gate line metallization is critical to cell conversion efficiency. ATW's laser enhanced metallization (LEM) equipment can significantly reduce the contact resistance between the gate line and the silicon substrate, and increase the open voltage and short-circuit current, thereby significantly improving the photoelectric conversion efficiency and fill factor of the battery to elevate the cell efficiency. After one year of repeated testing and optimization, the ATW technical team has confirmed that the efficiency can be raised by up to 0.3% or more, which greatly improved the power generation efficiency of TOPCon modules. The cost-effectiveness of PV power generation and the returns on investment of power stations will be further improved.



Raise efficiency by up to
0.3 %

SCEC low-oxygen monocrystal growth furnace SC-1600-LO2

As the size of the furnace and monocrystal becomes larger, it takes longer to stabilize the temperature of the silicon liquid, resulting in relatively poor stability of the oxygen content in monocrystal. Based on the market development needs, SCEC has focused on this technical difficulty to develop, verify, and test multiple technologies, came up with a solution for reducing the oxygen content of monocrystal silicon wafers, and launched the low-oxygen monocrystal growth furnace: SC-1600-LO2. The R&D team mastered the correlation between the probability of concentric defects and the oxygen content in monocrystal, employed the low-oxygen ingot technology, and optimized the software and hardware design of the monocrystal growth furnace, thereby significantly reducing the proportion of concentric defects. Compared with the oxygen content of mainstream silicon wafers, under the same conditions, the low-oxygen monocrystal growth furnace can reduce the oxygen content by more than 24% and improve the cell efficiency by 0.1% based on the test wire verification data.



Oxygen content reduced by more than
24 %

Improved cell efficiency by
0.1 %

The wafer inspection system usher in the era of ultra-high-speed wafer inspection

As the PV wafers get larger and thinner, there are higher requirements for soldering stringer and wafer inspection system. The Company has developed ultra-high-speed soldering stringer and wafer inspection system that meet the needs of larger and thinner wafer production. The production capacity of the wafer inspection system has reached 13,500 pieces per hour, which is 60% faster than the previous generation of equipment in the industry. It is not only used for discharging large and ultra-thin wafer, but also features higher-precision detection capabilities. Since its launch, it has gained market recognition and received bulk orders from customers.



The production capacity of wafer inspection system has reached
13,500 pieces per hour,

faster than previous generation of equipment in the industry
60 %

INTELLIGENT DEVELOPMENT AND DIGITAL UPGRADE

During the reporting period, ATW actively advanced the overall strategic goals (visualization, digitization, and intelligence) of “smart manufacturing” factories with the help of digital and intelligent technologies. Based on interactive innovation of digitalization, technologies, processes, and organization, we have upgraded process techniques and optimized work processes. Meanwhile, we have brought together the new forces for manufacturing upgrades and integrated the most cutting-edge technologies into smart manufacturing solutions, with a view to delivering more efficient production line and creating greater value for our customers, contributing to industry efficiency improvements, and jointly building a low-carbon, green and sustainable future.

Intelligent logistics center

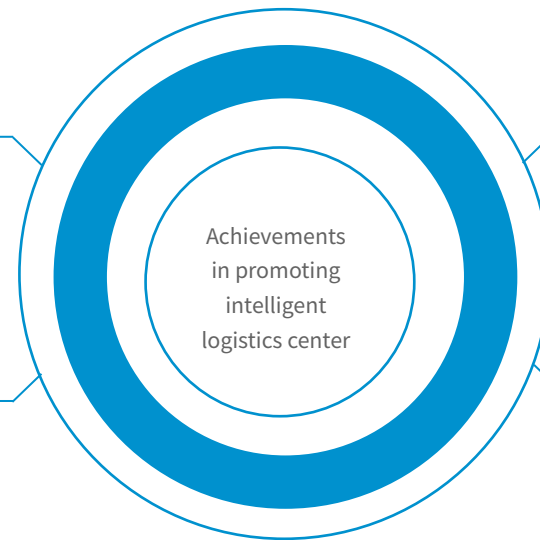
In response to the warehousing pressure and decentralized management amid growing business, we have integrated some of the leased factory resources and applied the WMS system for real-time material collection, shelving, sorting, and other functions to ensure accurate and timely out-put and in-put of the warehouse, which increased the logistics efficiency.

Optimize management

Integrate resources for centralized allocation to improve efficiency and reduce fault tolerance.

Improve quality

Eliminate quality hazards caused by storage environment and manage storage of materials in the first-in, first-out principle.



Logistics and transportation

Unified allocation, efficient distribution plus GPS positioning.

Improve 5S management

Integrate factory sites and ensure standard and tidy surrounding environment.

Process intelligence

We piloted the phased implementation of intelligence (mechanized—automatic—IT-based—intelligent development) at XuRi. During the phase of automation, we made progress in 18 automation projects in 2023, including 9 sets of self-developed equipment and 9 sets of imported equipment, in a bid to improve personnel efficiency and optimize work processes.

As of the end of 2023, a total of 9 projects had been implemented, including 5 sets of self-developed equipment and 4 sets of imported equipment, with 2 items awaiting acceptance in the near future.

Thanks to the intelligence, the first-pass yield of products exceeded 97.55%. (Note: overall pass rate). In the future, the Company will continue to promote the implementation of intelligent supply to elevate overall efficiency.



XuRi's double-speed chain has been initially put into use

Digital upgrade

During the reporting period, the Company opened a new chapter in digital transformation and upgrade. With SAP at the core, the Company simultaneously launched and optimized five IT systems, namely OA, SRM & MCS, WMS, HRM, and E-learning systems, to achieve seamless transmission of master data and business data.

In addition, to provide strong data support for operational management and decision-making, the Company integrated the above-mentioned IT system data through the BI system and generated data analysis reports (including trend charts, ring comparison charts, etc.), enabling relevant personnel to view the data results more intuitively and improve the efficiency of data analysis. Meanwhile, the Company has introduced the “SAP Operation Health Check” and other regulations on data quality management, in a bid to monitor the data situation in a timely manner.



SOLID FOUNDATION CHARACTERISTIC GOVERNANCE

Committed to compliant operation with integrity, ATW has continued to improve the corporate governance structure, optimize internal management, perfect the risk management and control mechanisms, maximize shareholder interests and corporate value, and create great economic and social benefits.

SDGs



- ◆ Governance structure
- ◆ Operation of the three meetings
- ◆ Protection of shareholders' rights and interests
- ◆ Internal control and risk management
- ◆ Anti-corruption and anti-bribery
- ◆ Party building

Our achievements

Operation of the three meetings



Shareholders' meetings in 2023

5



Meetings of Board of Directors

23



Meetings of Supervisory Board

22



Pass rate of reviewed matters

100 %

Protection of investors' rights and interests

174

Annual number of investors received



Information disclosure

A

Credit rating



Return to shareholders

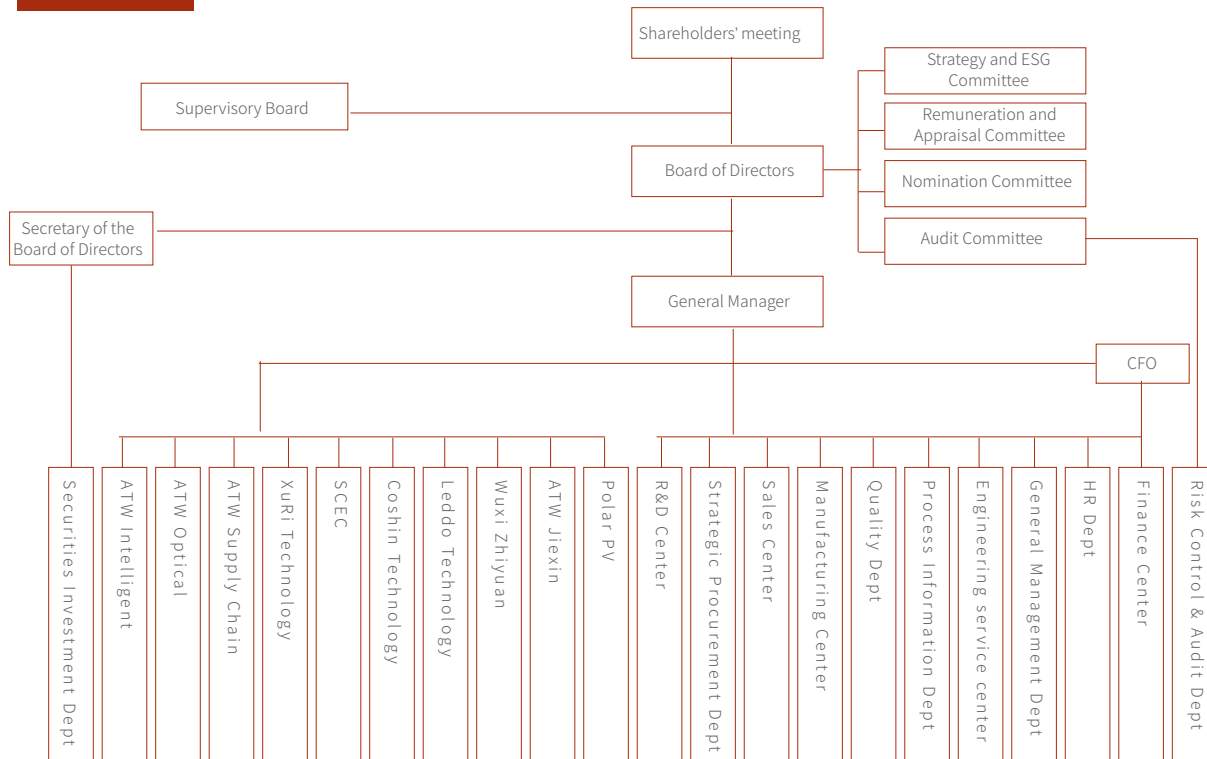
The amount of cash distribution in 2023 is CNY

448,184,300

Percentage in annual net profit



ORGANIZATION



OPERATION OF THE THREE MEETINGS

During the reporting period, the Company has constantly improved the corporate governance system and structure in strict accordance with the Company Law, Securities Law, Code of Corporate Governance of Listed Companies, Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, and other regulatory documents on the governance of listed companies issued by the China Securities Regulatory Commission.

Shareholders and shareholders' meetings

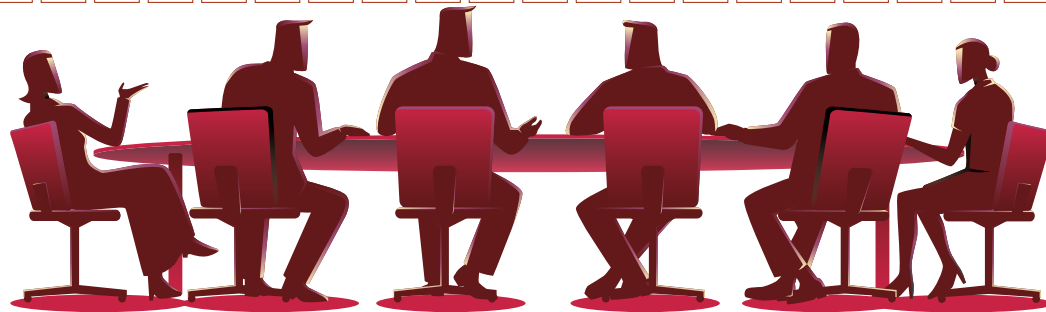
The Company has convened shareholders' meetings in strict accordance with the Articles of Association, Rules of Procedure for the General Meeting of Shareholders, and other relevant laws and regulations. Both on-site and online voting was implemented to ensure that all shareholders, especially small and medium-sized shareholders, can fully exercise their voting rights. The Company's controlling shareholders and actual controllers earnestly performed their duty of good faith, with no case of harming the rights and interests of the Company and other shareholders. During the reporting period, the Company held 5 general meetings of shareholders and reviewed a total of 22 proposals.

Shareholders' meetings

5

Reviewed proposals

22



Directors and Board of Directors

The Company has convened the meetings of Board of Directors in line with the requirements of the Articles of Association, Rules of Procedure for the Meetings of Board of Directors, and other relevant laws and regulations. The Company's directors have actively attended the meetings of Board of Directors and special committees and shareholders' meetings to master relevant laws and regulations, understand their rights, obligations and responsibilities as directors, and safeguard the legitimate rights and interests of all shareholders. Meanwhile, the Audit Committee, Strategy and ESG Committee, Nomination Committee, and Remuneration and Appraisal Committee under the Board of Directors have fulfilled their responsibilities in line with the requirements of the Working Rules for the Audit Committee, the Working Rules for the Strategy and ESG Committee, the Working Rules for the Nomination Committee, and the Working Rules for the Remuneration and Appraisal Committee. During the reporting period, the Company convened a total of 23 meetings of Board of Directors that reviewed 82 proposals. The Board of Directors comprises 9 directors, including 3 independent directors and 2 female directors.

Meetings of Board of Directors	Reviewed proposals	No. of directors	No. of independent directors	No. of female directors
23	82	9	3	2

Supervisors and Supervisory Board

The Board of Supervisors, comprising 3 supervisors, earnestly performs its duties in accordance with the Articles of Association, Rules of Procedure for the Board of Supervisors, and other relevant laws and regulations. The Board of Supervisors supervises the Company's finance, major asset restructuring, related transactions, and compliant performance of duties by the directors and executives, in a bid to safeguard the legitimate rights and interests of the Company and shareholders.

The Company convened 22 meetings of the Board of Supervisors in 2023 that reviewed 71 proposals.

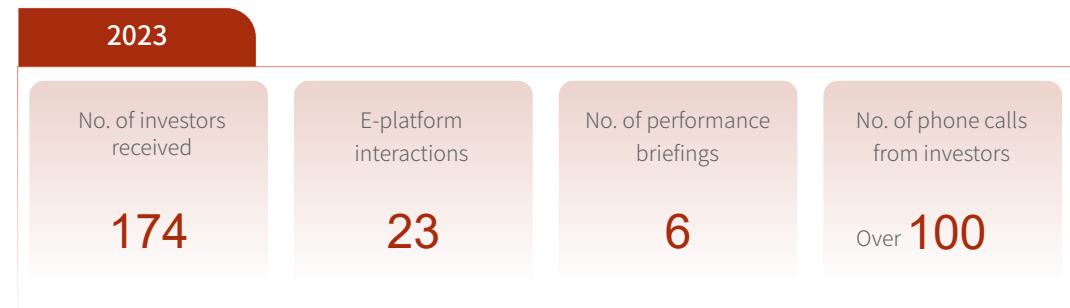
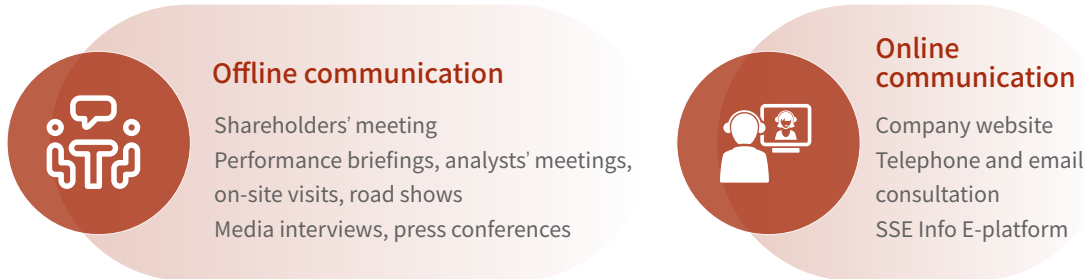
No. of supervisors	Meetings of the Supervisory Board	No. of reviewed proposals
3	22	71

PROTECTION OF SHAREHOLDERS' RIGHTS AND INTERESTS

Investor relations management

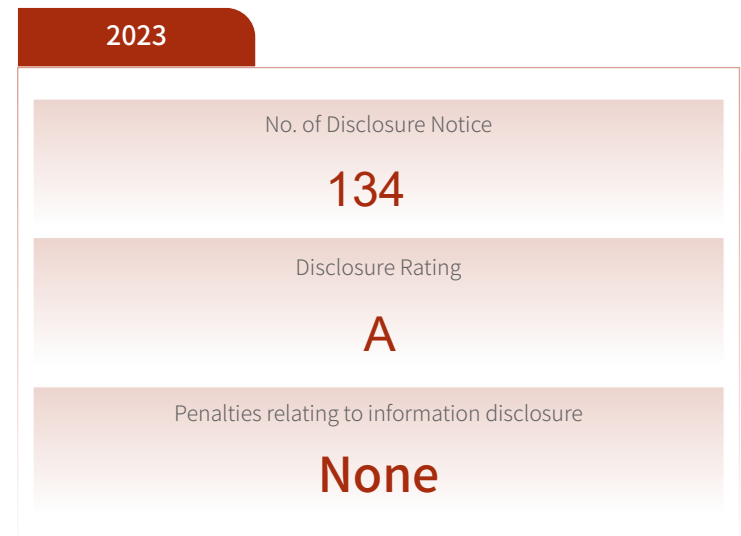
In the principles of compliance, equality, initiative, and honesty and integrity as stipulated in the “Guidelines for the Investor Relations Management of Listed Companies”, we have formulated the “Investor Relations Management System” to strengthen the Company’s communication with investors and potential investors, effectively protect the legitimate rights and interests of investors, especially the broad public, and establish a long-term, stable and harmonious relationship between the Company and investors.

During the reporting period, we have actively communicated with investors on statutory information for disclosure, corporate development strategy, operation and management information, and corporate culture development. Meanwhile, we took the initiative to make public more of the Company’s environmental, social and governance information, so that the investors could know more about Autowell from multiple perspectives and dimensions.



Information disclosure management

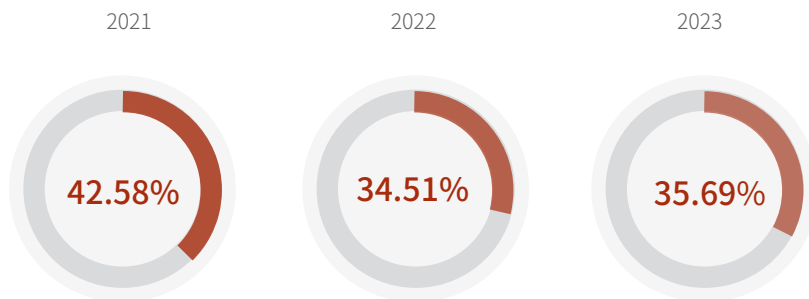
In strict compliance with the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies, Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, Articles of Association, and other relevant regulations, Autowell has formulated internal control systems, such as the “Management System for Information Disclosure” and the “Management System for Suspension and Exemption of Information Disclosure”, stressing the quality and standardized procedures for information disclosure to ensure the truthful, accurate, complete, timely and fair disclosure of major information. Meanwhile, we aim to ensure that all shareholders have fair access to information, all stakeholders could promptly understand the Company’s operation and progress of major events, and the legitimate rights and interests of investors are protected.



Sustained shareholder returns

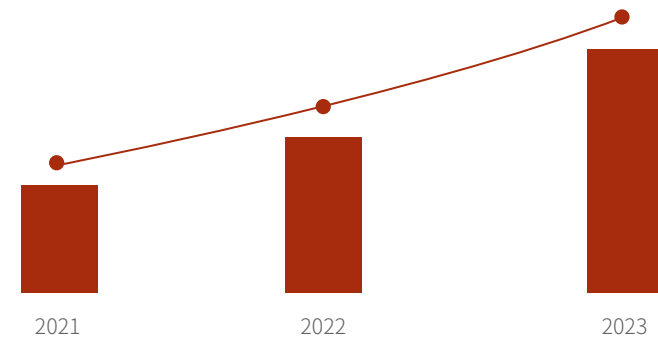
While focusing on our own development, we attach great importance to shareholder returns. Since the Company's IPO, we have formulated a cash dividend plan in strict accordance with the Company's Articles of Association, enabling shareholders to benefit from the Company's development and promoting the rational development of capital market.

Share of cash distributions in the yearly profits over the past three years



Amount of cash distribution over the last three years

CNY157,872,000 CNY245,942,100 CNY 448,184,300



Protection of creditors' interests

In the principle of “integrity and honesty”, the Company has formulated the “Rules on the Meetings of Convertible Corporate Bond Holders” and highly values the protection of creditors' legitimate rights and interests. In 2023, apart from raising funds from commercial banks, the Company publicly issued convertible corporate bonds worthy of CNY 114 million to unspecified entities, in a bid to further improve the corporate R&D capabilities, enrich product lines, optimize product portfolio, upgrade capital structure, enhance risk resistance, and enhance operational stability and sustainability.

As of 31 December 2023, the investments in relevant projects are making progress as planned. According to the CSCI Pengyuan Credit Rating Report, the Company was rated at AA- for strictly observing financial credit policies and disciplines and promptly fulfilling responsibilities and obligations of a debtor.

INTERNAL CONTROL AND RISK MANAGEMENT

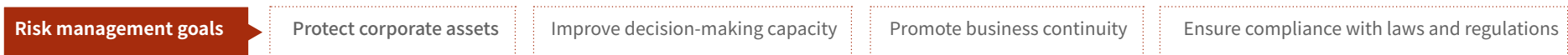
Autowell regards internal control and risk management as an important part of the Company's sustainable development. During the reporting period, we have further improved the Company's production and operation compliance systems, formulated the "Internal Audit System" and other system documents, and standardized the compliance management process.

Internal control system

In accordance with the requirements of relevant laws and regulations, Autowell has put in place a sound internal control system and the essential internal supervision mechanisms at the corporate level and for all processes. We have actively carried out risk control, authorization and approval control, the control of incompatible duty separation, and financial budget control, as well as regular self-evaluation of internal control.

During the reporting period, the Company's internal control mechanisms functioned effectively, with no major or material defects in financial or non-financial internal control, providing rational guarantee for the compliance of corporate operations, asset safety, as well as the true and complete disclosure of financial reports and related information.

Risk management system



Three lines of defense

Building on a comprehensive risk management organizational system, the Company has clarified the positioning and responsibilities of each functional department, the Board Secretary's Office, the Risk Control and Audit Department, and other departments in the risk management system to safeguard the "three lines of defense" for risk management.



Risk warning measures

To scientifically and accurately identify, evaluate and predict the Company's major compliance risks, we conduct in-depth review and evaluation of compliance risks in various business sections, closely track the updates of domestic and overseas legal and compliance policies, and form a major risk database and early warning indicators. We have conducted demonstrations on quantitative indicators, qualitative indicators, and early warning thresholds for risks in market, finance, strategy, operations, legal and other modules. We have strengthened compliance governance in key areas, done a good job in early warning and response to compliance risks, and specified responsibilities of various departments for risks management.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Company has consistently abided by national laws, regulations and rules on combating corruption and upholding integrity, standardized the business operations and employees' conducts, reinforced integrity-related risk prevention and control, and carried out anti-corruption activities regularly, thereby creating a favorable environment for corporate development.

Integrity system building

The Company upholds business ethics, strictly observes laws and regulations, including the “Law for Countering Unfair Competition” and the “Interim Provisions on the Prohibition of Commercial Bribery”, and adopts a zero-tolerance policy against commercial bribery in all forms.

In 2023, the Company successively unveiled the “Anti-Fraud and Reporting Management System”, “Conflicts of Interest Management System”, “Regulations on Reporting and Handing Over the Gifts and Cash Gifts”, and “Autowell Red Lines for Business Integrity”, laying the institutional foundation for combating corruption and upholding integrity.



Develop the culture of combating corruption and upholding integrity

Autowell advocates honesty, trustworthiness, integrity, and self-discipline among employees, while making efforts to develop a culture of integrity and a clean and upright corporate environment.

- On 15 June 2023, the “Integrity in Autowell” official WeChat account was created. The number of subscribers has exceeded 1,000. We posted 20 articles through the account, covering holiday reminders on integrity, interpretation of the Company’s systems, articles on the prevention of corporate duty-related crimes, publicity of Integrity Publicity Month, and knowledge contests, in a bid to facilitate the sound and steady development of the Company.
- During the Integrity Publicity Month in December 2023, the Company organized three themed activities in the forms of essay writing, knowledge contest, and lectures.

Anti-corruption and integrity training

The Company regularly carries out publicity activities, training sessions, and warning education among all employees to combat corruption, in addition to a variety of integrity education activities.

- The Company organized employees to study “Conflicts of Interest Management System”, engaging over 500 employees.
- The Company held two training sessions on the “Anti-Fraud and Reporting Management System”, “Regulations on Reporting and Handing Over the Gifts and Cash Gifts”, and “Autowell Red Lines for Business Integrity”, engaging more than 50 employees.
- The Company provided themed lectures on prevention of duty-related crime risks among employees, attended by more than 80 employees.

Effective reporting channels

We encouraged our employees and related external parties to report the fraud or relevant cases of employees via the above reporting channels. We have set up reporting channels, including email, corporate website, official WeChat account, and mailing. Meanwhile, we have prioritized the confidentiality of reporting information, combined with relevant systems to specify measures to protect the whistleblowers and strictly forbid retaliation.

Reporting to Discipline Inspection Department:

Corporate website: <https://www.wxautowell.com/about/message>
WeChat official account: Integrity in Autowell (WeChat ID: lianjieATW)
Mailing address: Discipline Inspection Department, Wuxi Autowell Technology Co., Ltd., No. 3 Xinhua Road, Xinwu District, Wuxi City, Jiangsu Province

Reporting to the chairman:

Email: jubao@wxautowell.com

PARTY BUILDING

Autowell is committed to strengthening the Party's leadership in promoting and improving corporate governance. The Company's Party branches have given full play to their central and leading role in political affairs towards the goal of "standardizing Party building and enhancing the capabilities of Party organization". Meanwhile, we have earnestly complied with the superior body's requirements on Party building, stepped up innovation, further promoted the scientific, standardized and institutionalized development of the Party branches, thereby giving better play to the critical role of Party organizations and the vanguard and exemplary role of Party members.

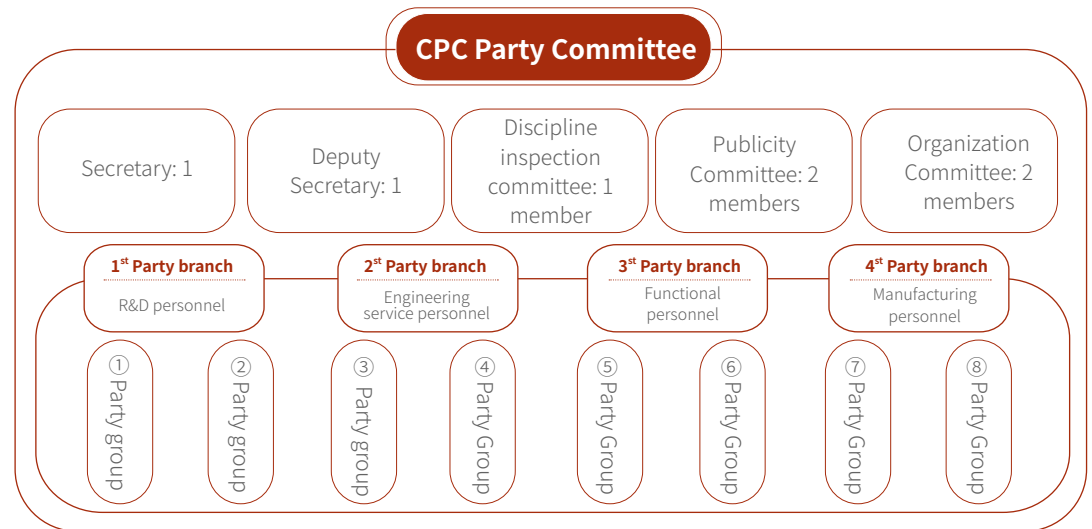
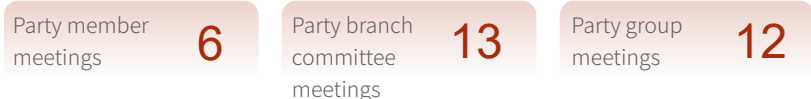
Institutional building

The corporate Party branch was established in 2016 and elevated to a Party committee in 2017. We have been committed to cultivating high-caliber talents from among employees to be Party members and promoting them into leaders, while passing on the Party-building ideas to all staff.

The Party committee currently comprises 4 Party branches (the 1st branch mainly consists of R&D personnel, the 2nd branch of engineering service personnel, the 3rd branch of functional personnel, and the 4th branch of manufacturing personnel) and 8 Party groups, with a total of 139 Party members.



Party members have played a pioneering and exemplary role, inspired positivity, and contributed to an enterprising working environment in their posts across various departments. During the reporting period, we have convened 6 Party member meetings, 13 Party branch committee meetings, and 12 Party group meetings.



Integration of Party building with corporate business

To create a Party-building atmosphere in the patriotic workshop, Autowell set up the Fourth Party Branch—Manufacturing Department. As such, we build the Party branch on the front line of production to give full play to the pioneering and exemplary role of front-line Party members, boost the productivity of the Manufacturing Department, and stimulate the sci-tech innovation with the cohesive power of Party building, thereby safeguarding the Company's high-quality development.

Party building activities

In 2023, under the leadership of the Company's Party Committee, all Party branches have thoroughly studied and implemented the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the guiding spirit of the 20th CPC National Congress, in combination with in-depth themed education. Meanwhile, we have made solid progress in the activities of "Year of Capacity and Conduct Improvement" and "Standardized Party Branch Building" and carried out innovative activities like "brand creation" and "paired Party building", in a bid to strengthen the sense of responsibility and further enhance the critical role of Party branches and the vanguard and exemplary role of Party members.

Themed education programs

We've made solid progress in themed education, incorporating "Xi Jinping: The Governance of China IV", "Selected Readings from the Works of Xi Jinping", and General Secretary Xi Jinping's important speeches into the study plan for the branch Party committees. Based on the system of "holding Party branch general meetings, meetings of Party branch committees, Party group meetings, and Party lectures", coupled with the themed Party Day activities, we conducted two sessions of group studies, 12 sessions of self-study, and five themed Party lectures.

The Company distributed books such as "Selected Readings from the Works of Xi Jinping" and "Answers to 100 Questions about the Report of the 20th CPC National Congress" to all Party members and strengthened the assessment mechanism for Party members and cadres' daily study. By now 23 party members and cadres have passed the assessment.

Themed Party Day activities

By integrating the themed Party day activities with the Company's core business, Party-building brand creation, and Party member education, the Company carried out 12 themed Party Day activities in an in-depth and practical manner.

Awareness education for Party members

The Company is committed to Party building and ideological education for cadres and employees through the official WeChat account. Dedicated personnel has been assigned to review and publish articles on the website, along with prompt information disclosure and updates. In addition, we have built a Party-building activity room, revolutionary workshops, and Party-building publicity bulletin to create a great atmosphere for Party building.

Visits to revolutionary bases

To carry forward the tradition of revolution and learn the great spirit of persistence and revolution from our ancestors, we visited the revolutionary bases, including Wuxi Learning Base of Yan'an Spirit, Maoshan Memorial Hall of New Fourth Army, Jiangyin Memorial Hall of Dujiang Battle, and Martyrs Memorial Hall in 2023. Such visits have effectively strengthened our ideals and beliefs to better perform duties, fulfill promises, and take on responsibilities at work.

Party-building alliance activities

In the principles of joint Party-building, joint pursuit for excellence and common progress of the alliances, the Company's Party committee has signed Party-building alliance responsibility letters with relevant enterprises and institutions. Through daily work exchanges in Party building, we have developed a new Party-building pattern featuring "joint construction and management, sharing of resources, and common development".

During the reporting period, the Company and the alliance units successively held large-scale hiking activities to promote environmental protection themed on "Remain true to our original aspiration and follow the Party leadership", an anti-corruption education activity themed on integrity, and the activity to enhance the sense of national security themed on "Follow the historical footprints to experience the stormy journey".



Improve Party conduct and corporate integrity

We have always attached great importance to prevention of violations of Party conduct and government integrity, while striving to create a clean and upright working environment. The Company conducted warning education through typical real-life cases of combating corruption and upholding integrity to enhance the persuasiveness and effectiveness of legal and discipline education.

Address root causes

01

We organized lectures and held face-to-face talks on integrity, organized staff to watch videos on anti-corruption for three times, and kept abreast of the work and life conditions of middle managers and executives, so as to ensure unwavering awareness of integrity.

Strengthen oversight over and restraint on power

02

We strictly uphold the principle of democratic centralism. All the three categories of major issues and the issues involving large funds are subject to collective discussion for decision making. The branch Party committee held four meetings to discuss major issues.

Carry out in-depth integrity campaigns

03

All Party members signed a letter of commitment to integrity to further strengthen the prevention and control of integrity-related risks.

Improve transparency in Party affairs

04

We develop intra-Party democracy and strengthen intra-Party supervision for Party members to better understand and engage in intra-Party affairs.

GOOD FAITH GREATER PROSPERITY

Employees are fundamental for an enterprise's development. Upholding the people philosophy of "Acting in Good Faith for Shared Prosperity," Autowell opens its arm to the world's bright minds and empowers them to fully tap into their potential and realize their aspirations. We have relatively complete human resources management systems for employee rights and interests, employee development, employee care, and workplace safety. We make continued efforts to attract and train talents, improve employee benefits, protect employee rights and interests, promote employee development, and enhance team building, so that employees can grow with the Company.

SDGs

3 Good health and well-being



4 Quality education



5 Gender equality



8 Decent work and economic growth



- ◆ Employment equity and diversity
- ◆ Protection of employee rights and interests
- ◆ Promoting employee development
- ◆ Care for employee well-being
- ◆ Protection of employee health and privacy

Performance by the Numbers

👤 Employment

Total headcount as of the end of the reporting period

4,832

Labor contract signing rate

100 %

Number of new hires in 2023

2,000

🎁 Benefits

Number of employees offered
restricted stock units

1,283

Percentage in total
number of employees

4,832 26.55 % (as of December 31, 2023)

Coverage of additional commercial insurance for
employee and one child

100 %

📈 Promotion

Number of employees who got a
promotion in 2023

257

Promoted to team leader

155

Promoted to management

73

Promoted to higher technology role

29

📖 Training

Employee training expenditures

RMB13,269,000

Total training hours

55,000

🏠 Health

Coverage of physical checkups for
employees

100 %

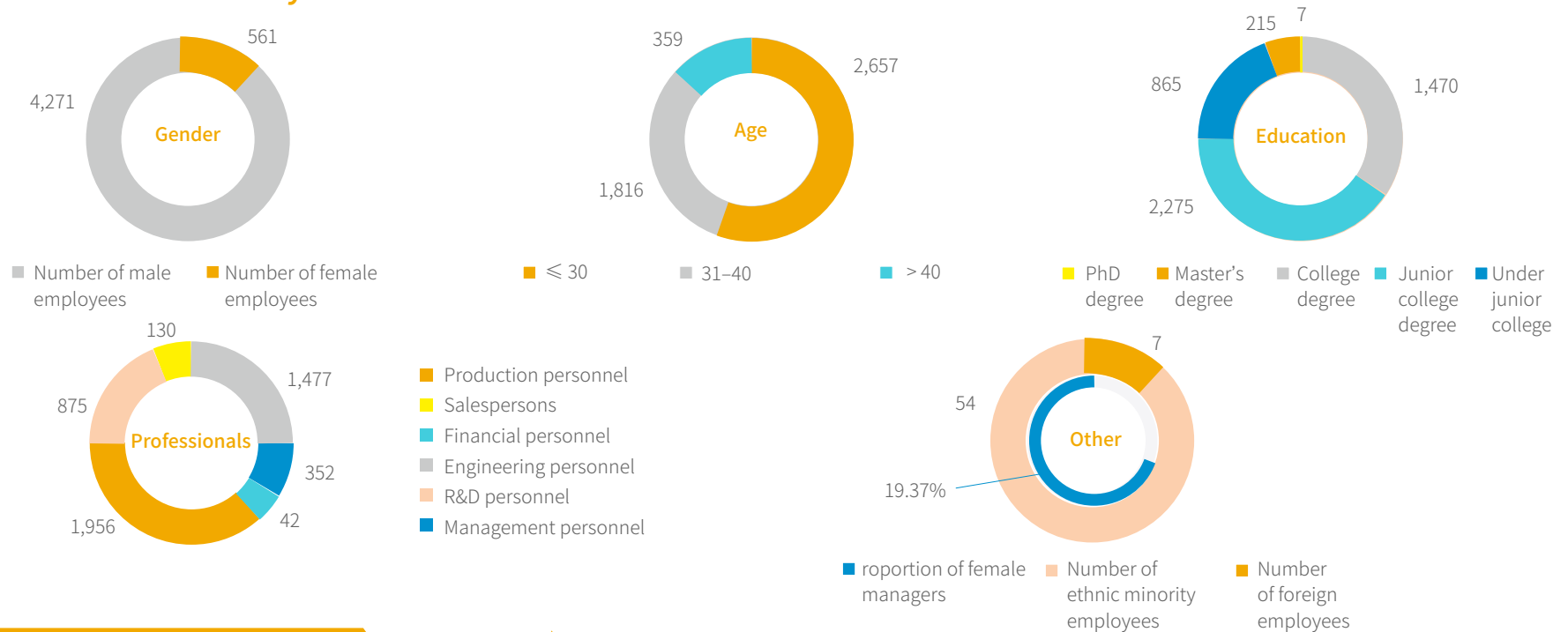
Incidence of occupational disease

0 %

EMPLOYMENT EQUITY AND DIVERSITY

Autowell strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, and other pertinent laws and regulations. We uphold equality in the workplace, resolutely avoid child and forced labor, and oppose any form of discrimination. The Company constantly improves internal systems and regulations, provides an equal and open platform for the development of employees regardless of their gender, age, nationality, and ethnic group, and strives to build a shared home where our people work together to realize their ambitions.

Performance in diversity



Recruitment

In line with the principles of fairness, impartiality, and openness, we established a sound recruitment system and constantly improved internal documents on the recruitment of experienced hires, campus recruitment, and internal recruitment. We have diverse recruitment channels such as online recruitment, campus recruitment, onsite recruitment, headhunting, school-enterprise cooperation, internal recommendation, and social media recruiting so as to bring in multidisciplinary talent meeting the needs of our business development.

During the reporting period:

Number of recent student hires

130

Number of new experienced hires

2,000

PROTECTION OF EMPLOYEE RIGHTS AND INTERESTS

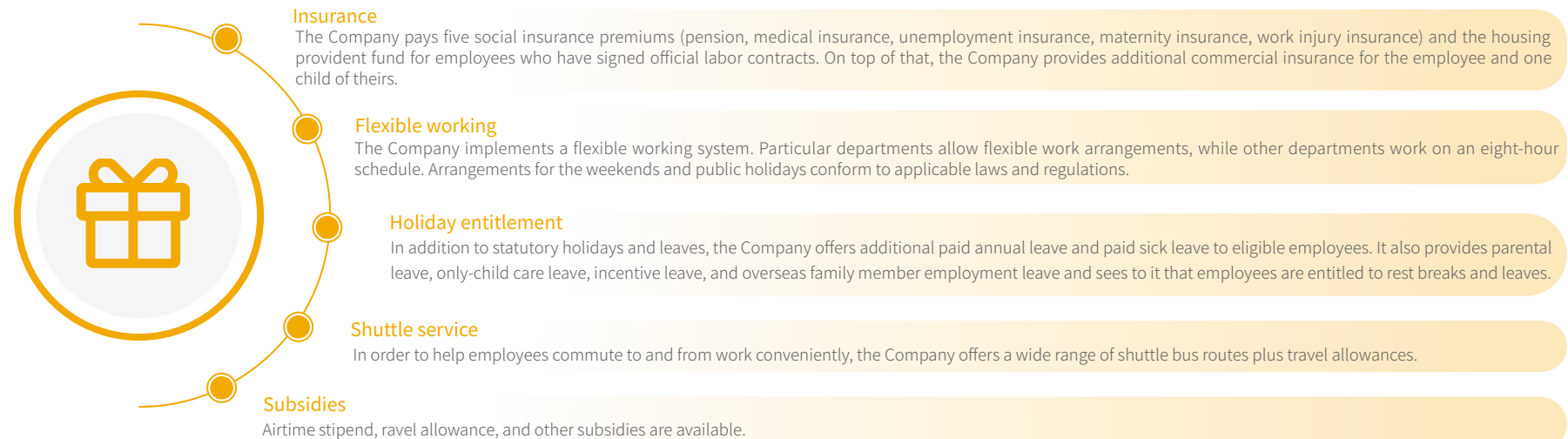
Autowell adheres to the compensation management concept that values people and emphasizes performance. We work to develop fair, transparent, and rational compensation and benefits systems where employees are paid based on their performance and contributions, and better benefits are offered to attract and retain talent and enhance team cohesion and our core competitiveness.

Compensation system

We seek to build a competitive compensation system where a compensation framework is built on the value of posts and skill levels through post classification and post value evaluation methodology, and variable compensation is determined based on employee performance. In addition, we implement dynamic compensation management, for example, giving raises for promotions and skill improvement.

Benefits system

During the reporting period, the Company continuously improved various benefits management systems, standards and, processes to make best use of benefits.



Education benefits for employees' children

To grow together and share fruits of development with employees, the Company pays high attention to the education of employees' children so employees and their family can prosper. In the autumn of 2023, through school-enterprise cooperation, the Company introduced the high-quality educational resources and teachers of Jinqiao Education Group in Wuxi to carry out activities aimed at promoting the well-rounded development of employees' children.

Employee incentives

The Company recognizes the contributions of employees and gives incentives to outstanding employees in different positions such as sales, R&D, and operations through equity incentives and cash incentives.

Equity incentives to boost employee enthusiasm

In order to further improve its long-term incentive mechanism, attract and retain high-caliber talent, and inspire the enthusiasm and creativity of core personnel, Autowell launched a restricted stock unit scheme for 2023 during the reporting period.

Scope of the incentive scheme: The Company planned to award restricted stock units (RSUs) to 1,283 employees for 2023, accounting for 26.55% of the total employees (4,832 as of December 31, 2023).

Total RSUs awarded: The Company planned to award 756,214 RSUs to select employees, accounting for about 0.49% of the total amount of the share capital (15,4827,300) at the time when the scheme was announced.

Number of recipients of RSUs

1,283

Percentage in total number of
employees

4,832

As of December 31, 2023

26.55 %

Total RSUs awarded

756,214

Democratic rights

We actively implement domestic management and safeguard employees' right to know, participate, express, and supervise. In order to better regulate internal communication management, provide smooth communication channels for employees, and effectively convey and implement the Company's corporate culture and strategic objectives, we updated and released the Employee Handbook (2023) in accordance with pertinent laws and regulations, established diverse communication channels between management and employees, gathered opinions from employees on the Company's operations and major matters concerning employee interests, held democratic consultations, and took measures to protect employee rights and interests, inspire their enthusiasm and creativity, and strengthen science-based management.



Suggestion box in office area

PROMOTING EMPLOYEE DEVELOPMENT

The Company offers an enabling environment for employee development and organizes various training programs such as training on specialized skills, management skills, employee health, and children's education according to the characteristics and needs of different posts. The Company implements a dual-sequence career development scheme to facilitate personalized development of employees.

In order to encourage employees to upskill themselves, the Company offers reimbursements to employees if they are granted post-related vocational qualifications certificates, such as the Chartered Institute of Procurement and Supply (CIPS) certification and the Project Management Professional (PMP) credential. Guidance is also provided to help employees develop career development plans.

Employee training

Autowell has a personalized training system and provides targeted training programs according to the needs of different employees. The Company's online learning platform offers a wealth of resources to help employees broaden their horizon.

Target trainees	Training content
New experienced hires	Provide induction training, occupational safety training, corporate culture training, and skills training on a regular basis to help new comers fit in as soon as possible, learn about corporate culture, get familiar with the Company's operation and management models and various rules and regulations, and improve their professional qualities, thus laying a solid foundation for doing their jobs.
Recent graduate hires	The "Qingsong Program" for recent graduates aims to help them get a comprehensive understanding of the Company, improve their professional qualities, and ensure smooth transition from campus to corporate life.
Current employees	Carry out special upskilling programs regularly according to business needs; organize open lecturers or seminars based on business scenarios; and provide abundant learning resources on the online learning platform for employees to learn by themselves.
Management personnel	Organize a series of courses on manager role transition, how to discover and use the right people, strategy decoding, target management and plan execution, coaching leadership, high-quality decision-making, team canvas, and other topics for supervisor- and manager-level personnel, so as to upskill managers at different levels and serve the Company's business development.
Talent pool	The HiPo Program for High-Potential Talent aims to select and cultivate high-caliber talent with a great potential, so as to build a talent pool and provide human resources support for the sustainable development of the Company.
Frontline team leaders	The annual skill improvement camp for frontline team leaders is held both online and offline and involves the processes of learning, examination, and evaluation. It offers special courses such as frontline production management, refined management, and quality management to improve the onsite management ability of frontline team leaders.

HiPo Program: The 7 Habits of Highly Effective People sharing reading session

Books can take us to the places where our feet can't and present us what our eyes can't see. Reading a book is like having a dialog with an intelligent person and dealing with a master. On July 25, 2023, Manager Yang Houzhong, head teacher of Class 01 of the HiPo Program, chaired a shared reading session, where colleagues from the class were gathered to share what they felt after reading the popular book *The 7 Habits of Highly Effective People*.



Training by the numbers

Training expenditures
per employee

RMB3,000

Average training hours
for new employees



Proportion of new employees
who received training



Average training hours
for R&D personnel



Proportion of R&D personnel
who received training



Training hours per
employee



Average training hours for
middle-level managers



Average training hours for
senior executives



Average training hours for
female employees



Proportion of middle-level
managers who received training



Proportion of senior executives
who received training

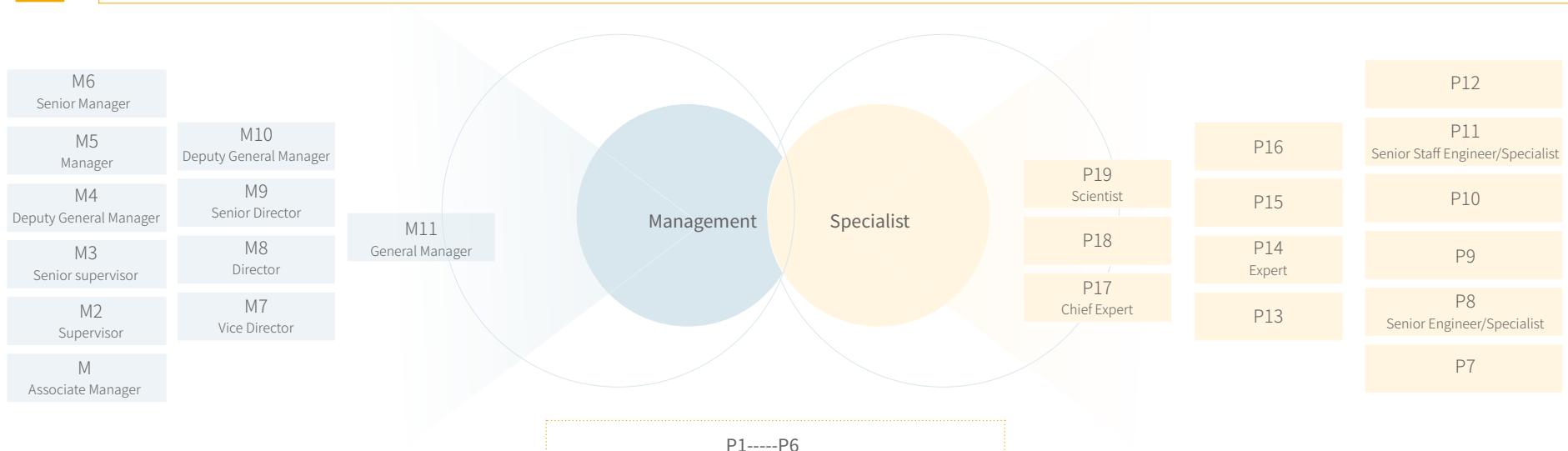
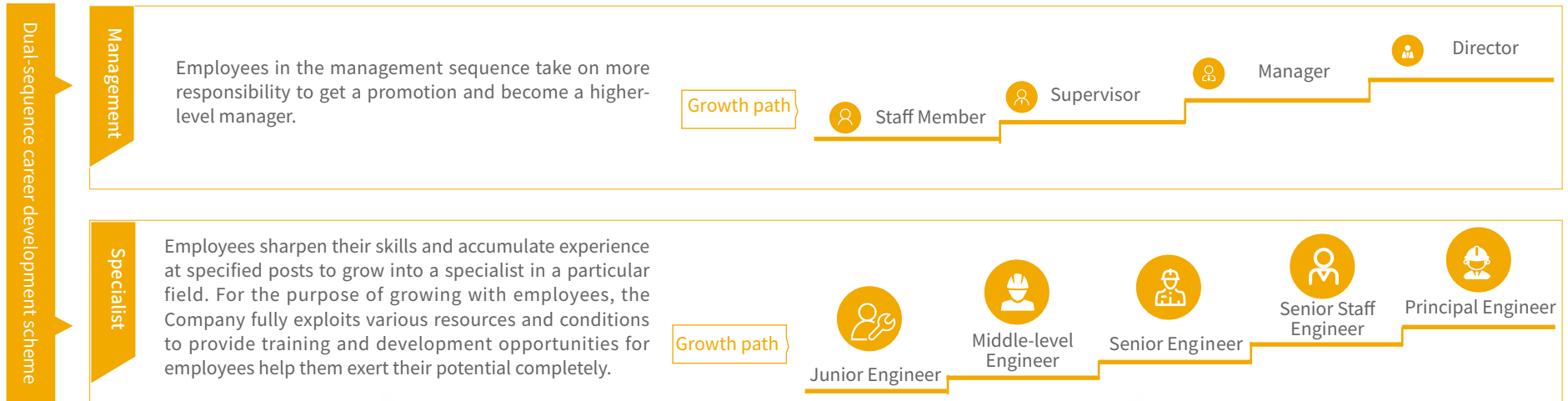


Proportion of female employees
who received training



Promotion

Autowell offers multi-dimensional talent development paths, endogenous career development paths, and customized skills matrices. The Company devises a career development plan for each employee and a promotion system for each employee to meet the common development needs of employees and the company.



Manager in an organization: Perform planning, organizing, leadership, control, and other functions to coordinate and lead team members towards meeting the set targets.

Specialists: Specialists are the pivot of corporate development. They have an impressive educational background, rich professional knowledge and experience, and a great capacity to learn.

CARE FOR EMPLOYEE WELL-BEING

Autowell cares for employees and emphasizes work-life balance. A variety of employee activities such as birthday parties, holiday perks, team building activities, and psychological consulting are carried out to increase employees' sense of belonging and identity with the Company.

Team building activities

Team building activities are designed to foster a healthy, harmonious, pleasant, and positive work environment and further strengthen interdepartmental communication, solidarity, and cooperation, enhance team cohesion, and increase the work enthusiasm and efficiency of staff. The Company organized a sports carnival in June 2023.



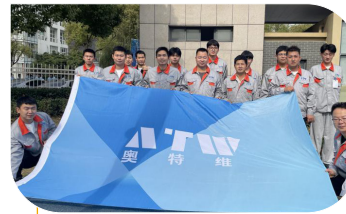
Sports carnival

Interest activities

In order to enrich the life of employees and improve their sense of happiness, the Company sets up interest groups and conducts internal and external competitions, mountaineering, race walks, and sports meetings on a regular basis. Colorful activities are also carried out to celebrate the International Women's Day, the World Reading Day, the Dragon Boat Festival, the Qixi Festival, the Teachers' Day, the Mid-Autumn Festival, and other festivals.



Flower arrangement



Autowell staff participate in a district-level sports meeting



Badminton competition



Calligraphy club



Baking

Celebrations on the International Women's Day



Basketball competition

Sports meetings



Table tennis competition



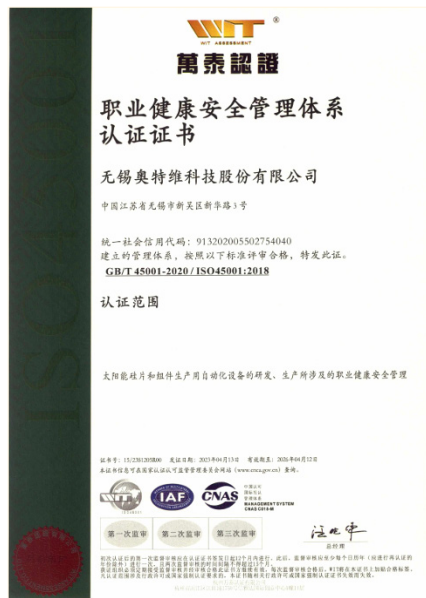
Hiking

Interest activities

PROTECTION OF EMPLOYEE HEALTH AND PRIVACY

Occupational health and safety

We strive to build a healthy and safe work environment for employees. Following the management policy of “having prevention as the main concern and combining prevention with remedying,” we improved the occupational health and safety (OHS) management systems, implemented the system of responsibility for the prevention and control of occupational hazards, and took various measures such as occupational health risk assessment, risk management and control, personal protection, publicity, and training to ensure occupational health and safety for employees.



Autowell OHS management system accreditation

Precautionary measures for occupational diseases

Education and training on occupational diseases

Invite experts in occupational disease prevention and control to provide training on health management for employees and increase their awareness of occupational health.

Internal health practices

- ▶ Carry out pre-job health checkups, regular on-the-job health checkups, health checkups when leaving the post, as well as ad-hoc health checkups, and establish occupational health surveillance records.
- ▶ Periodically evaluate and update the occupational hazards, check the processes and production equipment on a regular basis, promptly identify and evaluate the occupational hazards, and ensure that employees have no occupational health restrictions or occupational diseases.

Periodic external assessments

Invite third-party organizations to conduct occupational health and safety assessments on a regular basis to ensure production safety.

Reducing exposures in the workplace

- ▶ Carry out technical transformations for special types of work or post involving occupational hazards so as to minimize the risk.
- ▶ Ensure that the purchased personal protective gears, equipment, and facilities comply with applicable regulations, and are maintained and updated on a regular basis.
- ▶ Continuously improve operations involving toxic and hazardous substances, dust, and noise to reduce exposures to occupational diseases.

Emphasis on mental health

We pay high attention to employees' mental health. In 2023, online and offline training programs on mental health were held to help employees learn to see from a psychological perspective and effectively protect their mental health.

Workplace Emotion and Stress Management

This course, which started on June 14, 2023, primarily targeted supervisors, managers, and executives who felt stressed. A total of 94 people voluntarily signed up for the course.

Number of trainees

94

Emotion and Stress Management

This course, which started on December 7, 2023, primarily targeted frontline team leaders and R&D personnel who felt under pressure. A total of 51 attended the course.

Number of trainees

51



Protection of employee privacy

Privacy protection is fundamental to mutual trust between a company and its employees. In accordance with pertinent laws and regulations, Autowell has laid down stringent employee privacy protection systems, including the nondisclosure agreement, information protection system, and the data security management system.

In terms of HR management, the Company ensures that employees' personal information and privacy are strictly managed according to laws and regulations. With regard to IT system construction, the Company adopts strict information security measures to guarantee the security and confidentiality of private information of the Company and employees. The Company also provides training on employee privacy protection for the entire staff to increase their awareness of privacy protection and confidentiality and capacity for privacy protection.

Additionally, the Company establishes health records for employees working at posts that involve hazardous factors of occupational diseases, including their work experience, previous diseases, health check reports, and post-related information. Every employee has their exclusive medical record which is managed by dedicated personnel and may not be accessed by any unauthorized persons.



PRIORITY TO SAFETY FOCUS ON QUALITY

At Autowell, product quality and production safety are considered the “ballast stone” of corporate development. In pursuing high-quality development, the Company takes solid measures to manage production safety, strictly control product quality and project quality, strengthen customer service mechanisms, and maintain its brand value with excellent product quality.

SDGs

12 Responsible consumption and production



17 Partnerships for the Goals



- ◆ Production safety management
- ◆ Product quality management
- ◆ Improving customer services

Performance by the Numbers

Production safety

Sessions of production safety training

78

Items included in production safety training

241

Items rectified

241

Product quality

Product pass rate

97.55 %



Our customer-oriented workshop boasted a continuous production capacity of over 35,000 pieces per day, ranking first among production bases worldwide, and the reworking rate stood within 1.2%.

Daily production capacity

35,000+

Reworking rate

Less than 1.2 %

Customer service

Customer satisfaction

95.4 %



Number of customers who received training

60+

Total participants

550 participants

Testimonials, banners, and trophies received from customers

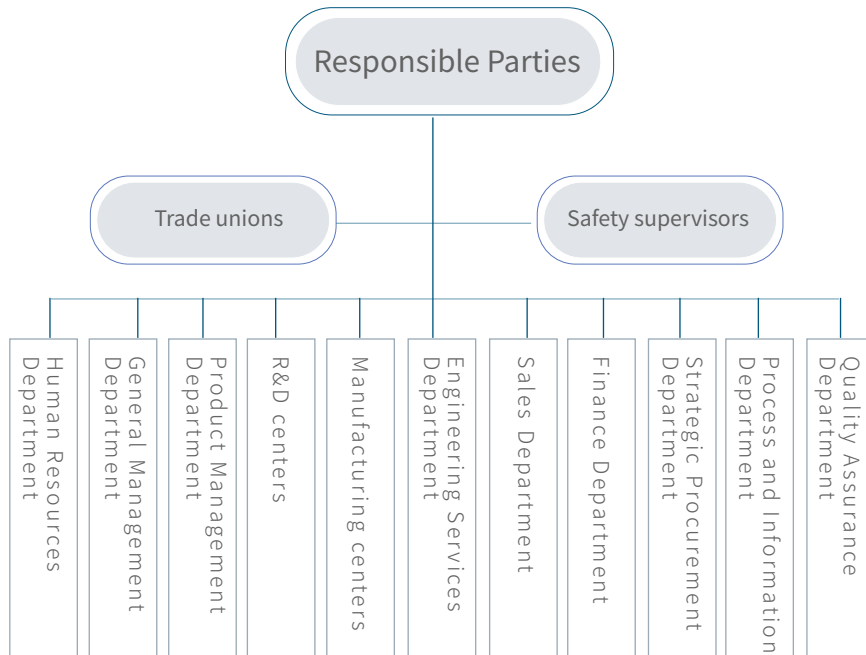
45+

PRODUCTION SAFETY MANAGEMENT

Organizations responsible for production safety

Through the Job Description, the System of Responsibility for Production Safety, and other systems, the Company specifies the safety production responsibilities and work norms of the general manager, department heads, team leaders, and frontline personnel. A top-down management model extending to the departmental level is formed, where trade unions and safety supervisors oversee safety production management, and 11 functional departments such as the Human Resources Department, the General Management Department, and the Product Management Department implement safety production management and strictly perform safety production responsibilities.

Organizational structure of the Production Safety Committee



Emergency handling

The Company places great emphasis on emergency management of accidents in production. In order to improve the ability to deal with risks and prevent accidents, ensure the safety and health of employees as well as people living in surrounding areas, and minimize the property losses, environmental damage, and social impact caused by production accidents and environmental emergencies, the Company has developed the System of Responsibility for Production Safety, the Regulations on Emergency Handling, and the Internal Reporting System for Important Information based on its realities. A crisis response taskforce comprising the management, the General Management Department, manufacturing centers, and the Finance Department is responsible for promptly handling major events related to safety, environmental protection, and product quality that may undermine the Company's image and reputation.

Production safety education

According to China's Law on Work Safety and production safety standards, the Company has formulated a series of production safety management systems, developed a system of safety standards, the classified risk management system, and the risk identification and prevention system, and put up warning signs and posters on safety knowledge at workshops and factories. Safety emergency drills are carried out on a regular basis to improve production personnel's ability to respond to emergencies. In 2023, the Company organized two emergency drills, which were attended by more than 500 employees.

Safety emergency drills

2

Total participants

500+



Performance by the numbers

▪ Three-level safety training system

Sessions of training for new hires

69

Hours of training for new hires

138 hours

▪ Forklift operation

Sessions of training for forklift operators

1

Hours of training for forklift operators

1 hours

▪ Emergency relief

Sessions of ad-hoc training for employees

35

Hours of ad-hoc training for employees

85 hours

▪ Manufacturing and logistics site safety management (monthly)

Sessions of training for manufacturing and logistics departments

18

Hours of training for manufacturing and logistics departments

32 hours

▪ EHS training



▪ Production safety training



▪ Logistics operation safety training



PRODUCT QUALITY MANAGEMENT

Autowell strictly complies with the Law on Product Quality and other laws and regulations, adheres to the quality management concept that “Quality is critical to the Company, just as the water that bears the boat is the same that swallows it up.” All employees follow the “Three Nos” principle of quality management. The Company implements the plan-do-check-act (PDCA) model for quality assurance, has established a full-process quality management mechanism from supply chain management to aftersales service, and sees to it that quality responsibility in each process is fulfilled.



Improving quality management systems

We advanced the construction and improvement of quality management systems and established and passed the ISO9001 quality management system certification; continued to efficiently apply information technology to business and production activities, established the informatization and industrialization integration management system in accordance with the GB/T23001-2017 Integration of informatization and industrialization management systems – Requirements and GB/T23006-2022 Integration of informatization and industrialization management systems – Requirements for enhanced capability grading, and received the Integration of Informatization and Industrialization Management System Certificate in July 2021.

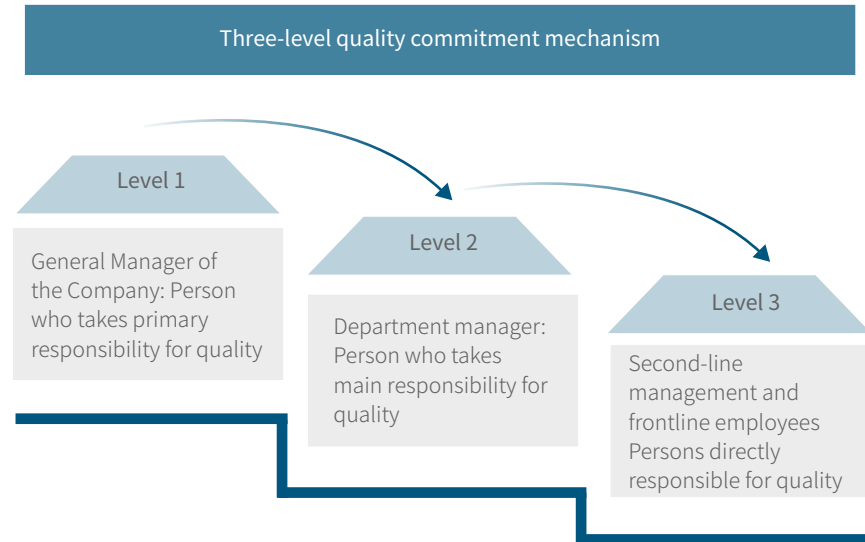


Integration of Informatization and Industrialization Management System Certificate



ISO9001 quality management system certificate

A sound quality responsibility system and a three-level quality commitment mechanism are in place.



The Company embeds quality management in the whole process from customer requirements analysis, R&D, process, procurement, and manufacturing to the end of the product lifecycle. It has a complete set of quality assurance systems to fulfill responsibility for product quality and guarantee product quality:



Multi-level quality audit mechanism

Level 1: Process monitoring



Autowell integrates quality control into the whole process of production and exercises strict control over supply quality, process quality, delivery quality, and aftersales service quality so as to prevent product quality issues.

Level 2: Internal audit



In order to ensure the effectiveness of quality management systems, the Company audits every process and link related to product quality and when problems are identified, takes rectifying and preventive measures immediately to put things right and ensure that the same problems don't happen again.

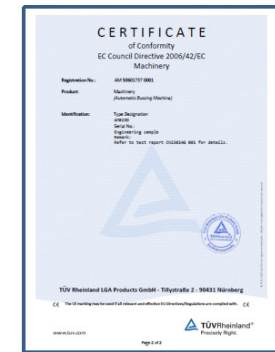
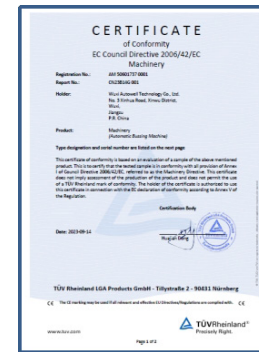
Level 3: Certification and licensing



Autowell always conforms to relevant standards for quality management systems. The Company and its subsidiaries (Autowell Intelligent Equipment, SCEC, ATW XuRi, and ATW Coshin) have passed the GB/T19001-2016 quality management system certification. Our products meet international standards including those in Europe and the U.S., are certified by international testing and certification providers agencies like TÜV SÜD and Intertek, and hold the European Conformity (CE) and Eurasian Conformity (EAC) certificates. Additionally, our products have been granted access to the North American market.



GB/T 19001-2016 quality management system certificate



Product certificate

Quality management measures

Implementing the Chief Quality Officer system



The Company has established the Chief Quality Officer system, giving the Chief Quality Officer the power to veto matters that may affect product quality and safety in the process of product realization.

Setting up designated post for quality control



In order to ensure product quality and safety, the Company has an important post called “process inspector” to oversee key processes that may concern product quality and safety in the process of production.

End-to-End quality control



In order to further improve quality management, the Company forms an “end-to-end” business process oriented towards business performance, analyzes the value chain on each end, straightens out its management process, business process, and support process, and gradually refines the institutional framework, the hierarchy of business authority, and the implementation of the system solidification process. Moreover, it achieves chain quality across the entire value chain by a management system integrating process and quality system

Quality commitment mechanism



The Company signs technical agreements with customers based on the characteristics of our products, which contain corresponding provisions and commitments regarding the key technical performance metrics, aftersales service and training, and quality assurance.

Quality management campaigns



The Company strengthened its ability of process assurance and zero defect management, and continuously improved product quality by organizing quality improvement activities and collecting opinions, among other efforts.

Quality improvement campaigns

During the reporting period, the Company carried out quality improvement campaigns in response to potential risks in the use of related equipment. For example, it launched a campaign to reduce the attrition of cell soldering stringers and a campaign aimed at standardizing assembly quality in the weld region of semi-conductor bonders. It set up special project teams, used professional measuring devices, and applied problem analysis tools (MSA, 5W, brainstorming) to develop solutions and rectify potential risks. Based on the actual use of customers, improvement measures were taken promptly, forming a closed loop of quality improvement.

Collecting opinions

In 2023, more than 5,700 opinions were collected through the Company's OA system in an effort to improve product quality and operational efficiency, helping reduce costs by RMB25.62 million.

Opinions collected in 2023 Reduced costs

5,700+ **RMB25.62 million**

Vocational skill competitions

Since 2022, the Company has held manufacturing and logistics skills competitions for two consecutive years to call for the pursuit of superior workmanship and further improve product quality.

IMPROVING CUSTOMER SERVICE

High-quality customer service is key for companies to stand out in market competition, attract more customers, and prevent customer churn.

Reputational risk management

Responsible marketing management

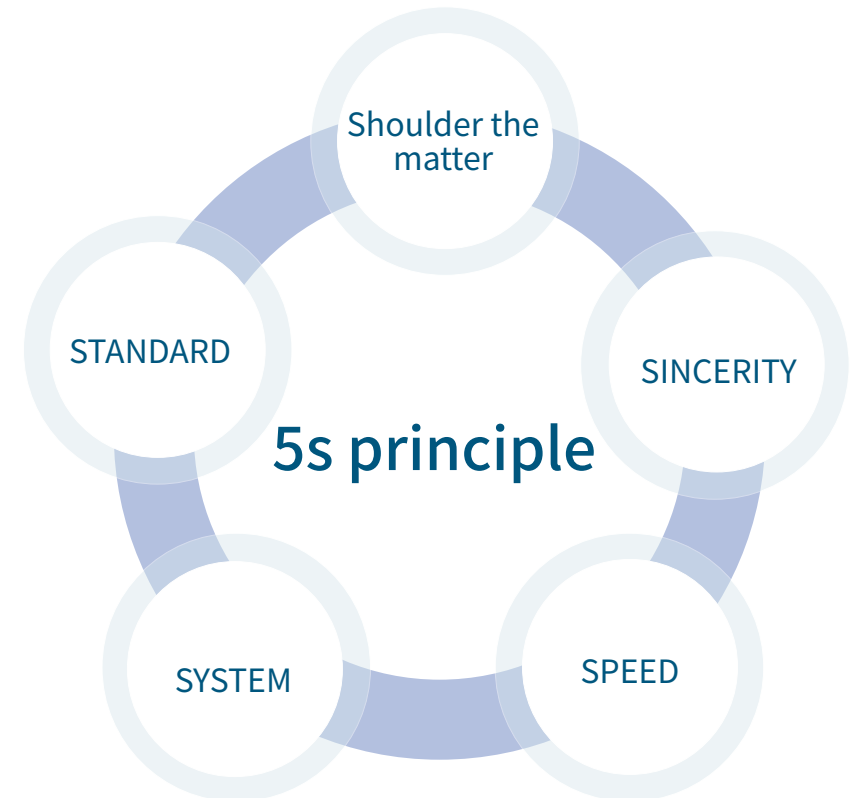
In order to meet compliance requirements in marketing campaigns, the Company strictly complies with national and local laws and regulations, maintains honesty in operations, abides by industry norms, and consciously maintains the industrial operation order. We uphold moral norms centered on honesty, and have developed the bidding management system, the supplier management system, and integrity agreement to ensure compliance and effectiveness in the process of marketing. The Company has a legal affairs department and hires legal counsels to provide professional legal advice on its operations and help prevent marketing risks.

Brand crisis response

The company has put in place a brand crisis response mechanism and process in order to deal with any brand crisis promptly and appropriately.

Principle:

We follow the 5s principle for brand crisis response, that is, shoulder the matter, sincerity, speed, system, and standard.



Autowell has stayed alert to brand crises, and no brand crisis has occurred since its inception.

Protection of customer rights and interests

Upholding the service concept of “humbleness, carefulness, and professionalism,” the Company takes multiple measures such as day-to-day maintenance, key point analysis, and timely review to improve individual service items. Additionally, the Company organizes internal and external training for specific product lines, weekly meetings, sales case and experience sharing sessions, and the like to improve the professional competence and all-round ability of teams.



Annual sales review meeting in 2023



Sales sharing session

Customer information security

We attach great importance to the management of customer information security, continuously hone our ability to maintain information confidentiality and data security, strengthen the full-process management of customer information, and take solid measures to prevent disclosure of customer information. In 2023, the Company introduced the ISO 27001 system management methodology, officially started the construction of an information security system, and established or improved the confidentiality system, access control system, network management system, and management regulations on the prevention of viruses and malware. A series of measures were taken to prevent leakage of customer information such as strictly controlling customer information access rights, customer file encryption protection, and anti-virus software deployment.

We pay particular attention to information security training and drills. During the reporting period, more than 3,000 employees participated in relevant training and examinations, greatly increasing their awareness of information security and sharpening their skills to protect information security.

Aftersales service system

We sincerely respond to customer concerns and make continued efforts to improve the aftersales service system and enhance customer satisfaction and experience throughout the process before, during, and after sale.

Presales

- ◆ A special team is responsible for providing presales training and introducing the service process to customers.
- ◆ Set up a project team and develop the project plan and objectives based on the project status.

Sales

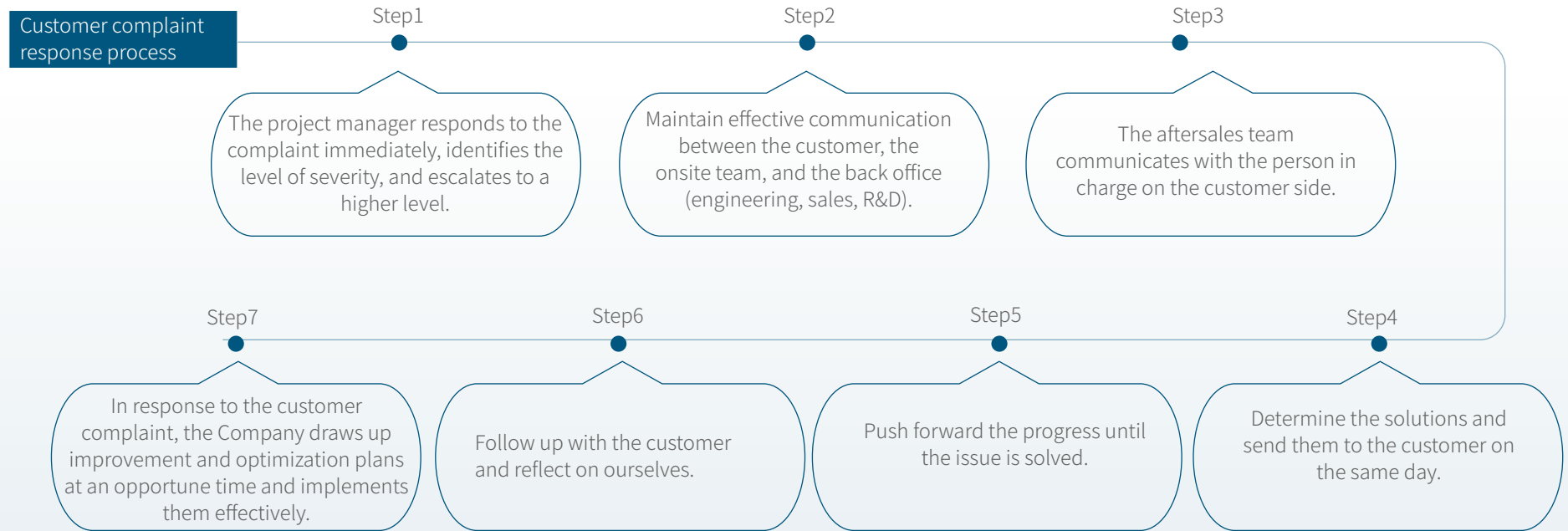
- ◆ The project manager coordinates and dispatches personnel on the site, makes plans, and communicate on project progress and problems.
- ◆ The project supervisor provides support throughout the process to facilitate the attainment of targets and goals.
- ◆ Set commissioning standards and ensure that the standards are met through training, random inspections, tour of inspection, and other methods. Standardizing equipment commissioning helps locate operational issues quickly and improve the operational stability.
- ◆ Keep track of the use of equipment by the customer in real time and update onsite project progress, core issues, resource requirements, and other information every week through engineering, sales, and customer WeChat groups; improve customer experience, make use of third-party communication channels, and promptly rectify any deviation during use; follow up with the customer from time to time (home visit, WeChat, telephone, online meeting, etc.) to stay up to date with the production status and actual needs of the customer.

Aftersales

- ◆ Provide remote support within 24 hours.
- ◆ For domestic urgent requirements, arrive at the scene within 24 hours, and for overseas urgent requirements, within 72 hours.
- ◆ Pay follow-up visits on a regular basis to learn about the equipment running status, customer needs, and maintain customer relationships.
- ◆ Publish posts on how to solve common issues through WeChat official account to provide technical information support.

Customer complaint response mechanism

In order to better regulate the onsite customer service and problem feedback and handling processes and ensure that problems in each process are identified, reported, and addressed as early as possible in a closed loop, Autowell has developed the Improvement on Customer Feedback, Aftersales Service Process, and other systems to promptly deal with problems in onsite service, use, and other processes and further improve customer satisfaction.



In 2023, our customer satisfaction reached 95.4% according to our survey on key customers.

Nonconforming product handling mechanism

According to the Company's regulations on nonconforming product management, if any defects are found in products delivered to customers, a taskforce will be established immediately, onsite inspections will be carried out to evaluate and analyze the situation, and then, practical solutions will be developed promptly to ensure that the problems are effectively solved.

During the reporting period, no incident violating the Company's quality commitments occurred during and after the product delivery process.

Empowering customers

We continued to popularize product and service knowledge among customers, provide onsite or remote technical support for them, and hold training for their teams, so as to fully empower customers.

Customer training – Autowell Training Camp

In order to help customers better understand and use our products, we held a two-month Autowell Training Camp in 2023. The participating customers included Tongwei Group, JA Solar, LONGi, JinKo Solar, Chint, HY Solar, DAS Solar, and DMEGC. During the training, the Company refined the training system and content based on customer suggestions and did our best to meet their improvement plans and needs.



Some trainees from Tongwei Group hold their training certificates



Trainees from JA Solar hold their training certificates

Performance of customer training

Training content: Knowledge about 050E/F/EH/FH/K, 027X, Automatic Bussing Machine, and other models, as well as their operation, installation, commissioning, and troubleshooting

Number of customers who received training: 550 participants from 60+ enterprises.

Number of training certificates and outstanding trainee certificates: 550.

Number of customers who received training:

60+

Total

550 participants

Number of training certificates and outstanding trainee certificates:

550



CONTRIBUTION TO SOCIETY CONSTANT DEDICATION

While pursuing our own high-quality development, we take concrete actions to fulfill our social responsibility and give back to society. We actively engage in public interest activities and support the development of education, spreading positive vibes in society. In particular, we constantly put energy and fund into youth care and education as part of our efforts to give back to society. We encourage employees to volunteer and get involved in public interest activities, bringing more love into society.

SDGs



- ◆ Tax payment according to law
- ◆ Contribution to community development
- ◆ Public interest activities and donations
- ◆ Volunteer activities

Performance by the Numbers

Tax payment according to law

Total amount of tax paid in 2023

RMB 661 million



Donations

Total donations made to support education development, public emergency response, and people in need in the past three years

RMB9,699,900

Donation to Wuxi Educational Development Foundation

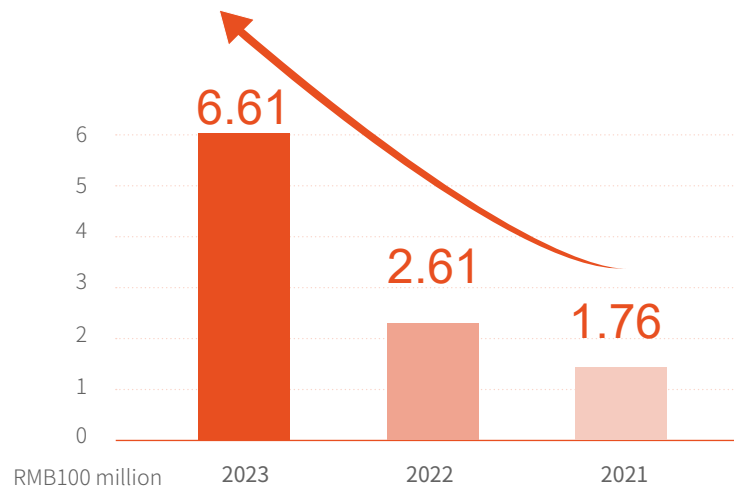
RMB 1 million



Tax payment according to law

The Company pays specified types of taxes at the set tax rates within the time limit, contributing to national and local fiscal revenue and promoting fairness and justice in taxation.

Tax status in the past three years



COMMUNITY BUILDING AND DEVELOPMENT

Autowell works closely with the community to train and advance talent. The Company provides job opportunities for local people, which helps increase local employment, promote the development of the local economy, and enhance the sense of belonging of our employees, enabling them to witness the great changes in their community. On the Company's part, this also serves the purpose of growing with the community and employees.

Public interest activities and donations

The company is actively involved in public interest activities, cares for the needs of vulnerable groups, and works hard to help build a better world. In the past three years, we have donated a total of RMB9,699,900 to support education development, public emergency response, and people in need. We work with loving people from all sectors of society to promote the development of social undertakings.

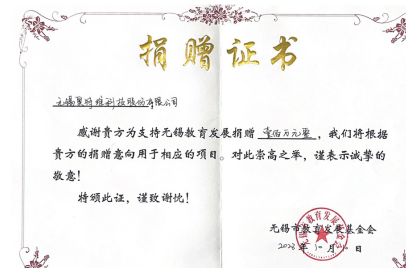
Total amount of donations

RMB9,699,900

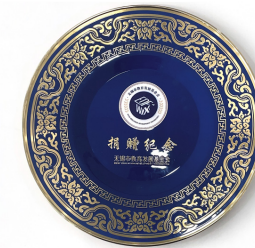


HiPo Program: The 7 Habits of Highly Effective People sharing reading session

In April 2023, the Company donated RMB 1 million to Wuxi Educational Development Foundation in a bid to support the high-quality development of education.



Donation certificate



Commemorative badge

VOLUNTEER ACTIVITIES

As a responsible company, we encourage employees to volunteer and contribute to society.

“Walk side by side”

To commemorate the White Cane Safety Day, Autowell volunteers participated in a charity walk event with people who are blind or visually impaired, helping them experience the beauty of the world.



CLOSE COOPERATION WIN-WIN OUTCOMES

To deliver high-quality products and services to our customers, we must ensure that the products provided by our suppliers have stable quality. To this end, we continuously strengthen centralized management of the supply chain system, promote businesses along the supply chain to do their due diligence, so as build a safe, green, high-quality, and responsible supply chain.

12 Responsible consumption and production



11 Sustainable cities and communities



17 Partnerships for the Goals



Sustainable supply chain



Support for industrial development

Performance by the Numbers

Sustainable supply chain

Proportion of local purchasing (within Jiangsu Province)



Growth in pass rate of materials compared with 2022



Number of new standard parts suppliers

236

Industrial development

Number of domestic exhibitions we participated in

9

Number of overseas exhibitions we participated in

5

Number of professional forums we sponsored (speech)

3



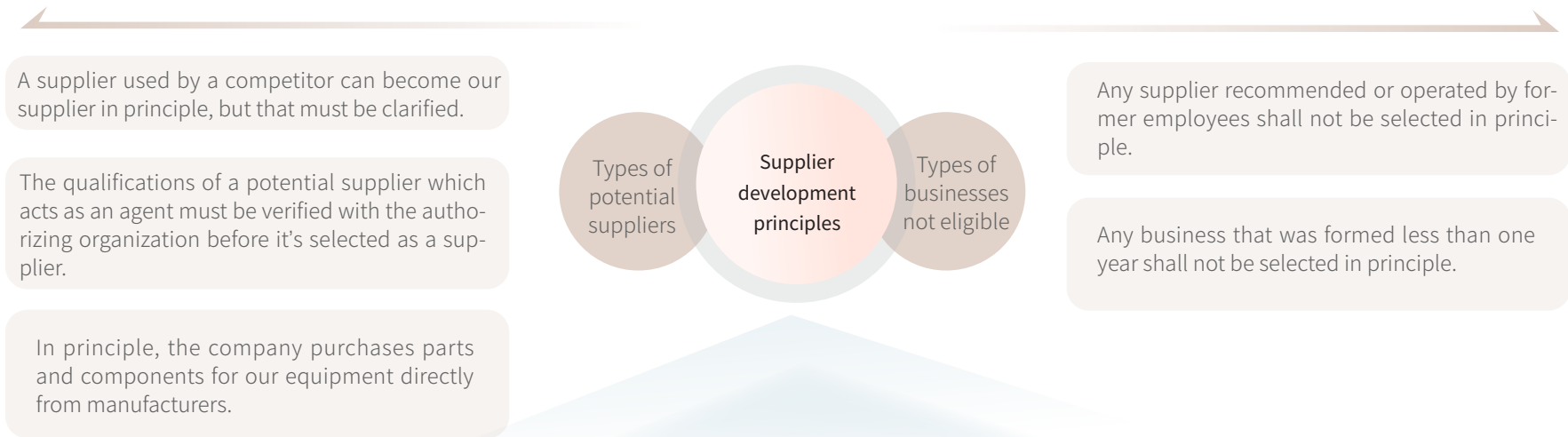
SUSTAINABLE SUPPLY CHAIN

Supplier management

Autowell insists on responsible procurement and implements the strategies of transparent procurement and local purchasing, and embeds the concept of sustainability into the whole process of procurement. The Company has developed relevant systems on procurement, such as Supplier Management and Relationships and Supplier Development and Approval.

Supplier development and selection

In order to ensure the safety of raw materials and improve product quality, Autowell has established the principles of supplier development and laid down regulations on suppliers' basic qualifications, capital status, operating qualifications, scale of production, and technical strength. The Company signs the Non-Disclosure Agreement, Supplier Quality Agreement, and Supplier Integrity Agreement with all suppliers, and makes clear the requirements on supplier conduct and supplier selection. In addition, inspections must be carried out on new suppliers to ensure that they meet procurement requirements.



◆ Classified supplier management

According to the amount of procurement, the Company divides suppliers into three types, and implements classified supplier management in terms of quality, costs, evaluation, etc.



Definition

Type 1

Suppliers from which the amount of procurement accounts for no more than 80% of the total procurement and is greater than RMB3 million in the evaluation period.

Type 2

Suppliers from which the amount of procurement accounts for no more than 15% of the total procurement and is greater than RMB1 million in the evaluation period.

Type 3

Suppliers from which the amount of procurement accounts for no more than 5% of the total procurement in the evaluation period.



Management strategy

Type 1

- ★ Maintain supplier relationships, emphasize quality and costs, implement centralized purchasing, carry out joint R&D activities, and lower costs.
- ★ All suppliers are subject to performance evaluation.

Type 2

- ★ Emphasize quality, guarantee inventory safety, implement centralized purchasing, ensure sufficient supply, and lower costs.
- ★ Suppliers with an MRB NPL ratio of above 0.1% during the performance evaluation period shall be evaluated, while other suppliers not.

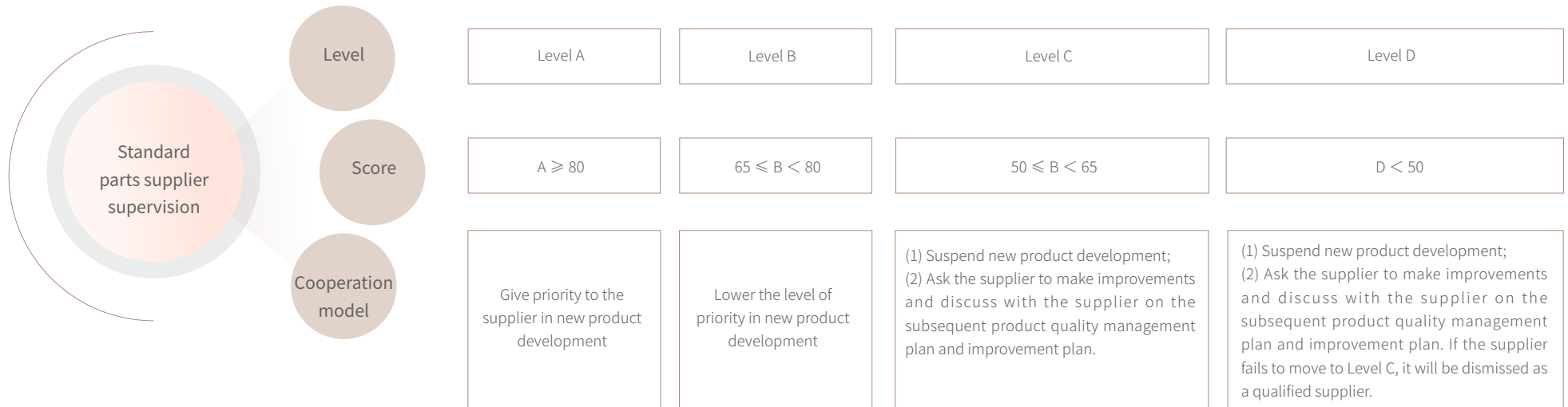
Type 3

Suppliers from which the amount of procurement accounts for no more than 5% of the total procurement in the evaluation period.

- ★ Emphasize costs, reduce the number of suppliers, implement centralized purchasing, and reduce procurement management costs.
- ★ Suppliers with an MRB NPL ratio of above 0.2% during the performance evaluation period shall be evaluated, while other suppliers not.

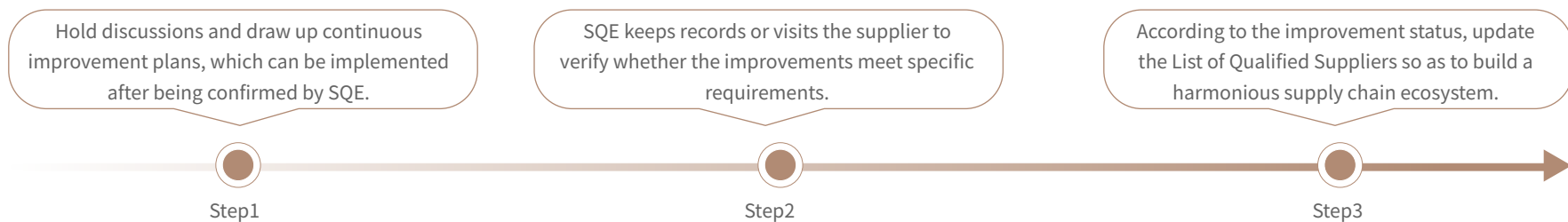
Supplier supervision

In order to ensure that the procurement capacity meets the needs of its sustainable development, the Company conducts semi-annual performance evaluation on suppliers based on the Periodic Supplier Performance Evaluation Form (Standard Parts/Processed Parts), classifies suppliers into four levels (A, B, C, and D) according to the grading rules (B is the qualifying criterion), and adjusts the cooperation models according to the evaluation results.



Compared with standard parts suppliers, Autowell focuses on the information security management ability of machining equipment suppliers, and conducts an information security management review on them every half year.

Supervisor: Supplier Quality Engineer (SQE)
Supervising the improvement process:



Attention to supplier ESG performance

The company insists on green procurement and ensures that the materials used, including packaging (such as materials, components, and equipment) meet the requirements of national environmental policies. The Company gives priority to suppliers with the ISO9001 quality management system certification, the ISO140001 environmental management system certification, and the ISO45001 occupational health and safety management system certification, and pays constant attention to supplier performance in labor relations, employee rights protection, environmental health, emergency response, and other aspects of sustainable development.

Supply chain stability

The Company takes forward-looking and flexible measures to ensure supply chain stability and efficiency and avoid supply chain disruptions. Meanwhile, amid the trend of domestic alternatives, the Company actively looks for high-quality domestic suppliers under the premise of ensuring quality and costs.

Develop inventory plans for bottleneck materials and materials with a long delivery period based on annual sales forecasts.

Implement multiple sourcing and reserve for suppliers of core materials and few structures.

Regularly assess supplier capacity, adjust purchasing strategies, and ensure supplies are delivered on time.

Number of new standard parts suppliers during the reporting period

236

Empowering suppliers

Regular communication

While improving our own management ability, the Company regularly communicates with suppliers of main and auxiliary materials through onsite meetings. The topics mainly cover analysis of actual use of products, analysis of subsequent use of products, promotion and effectiveness of new products, and overall product stability.

During the reporting period, in order the Company held the annual supplier conference themed “A Better 2024 and a Winning 2025” to help suppliers get a deeper understanding of our strategies and development plans. A total of 93 suppliers participated in the conference, and the amount of procurement from the participating suppliers accounted for 75% of the Company's total purchases in the year.



Autowell 2023 Supplier Conference

Suppliers present at our supplier conference

93

Percentage in total purchases



Management empowerment

In order to improve our supplier management and quality control capabilities to meet the needs for sophisticated and key materials in our rapid development, we took field trips to industry-leading suppliers, learned about advanced experience and summarized 14 practical improvement measures, and provided them to other suppliers so they could choose to use according to their own reality. To promote the improvement measures in batches, we selected 14 key suppliers, supervised their implementation of the selected measures, conducted onsite evaluations on the implementation effects, and kept track of the implementation.

This management empowerment event greatly improved the overall management ability and pass rate of suppliers. In particular, the pass rate of materials rose by 2.34% over 2022, meeting the set target.

Number of key suppliers

14

Growth in pass rate over 2022



2.34 %

SUPPORT FOR INDUSTRIAL DEVELOPMENT

Autowell is an active player in the industry. We participate in various exhibitions, carry out project cooperation with other enterprises, and play a role in national key R&D programs. Exchanges and collaboration with industry peers can spur innovation vitality, enabling us to work together to boost the whole industry.

Number of domestic exhibitions we participated in during the reporting period

9

Number of overseas exhibitions we participated in

5

Number of professional forums we sponsored (speech)

3

International exchanges

Autowell's vision is "Wherever there is a factory there is ATW's intelligent manufacturing system." Going forward, Autowell will uphold its long-term mission – "Build Smart Factory with New Technologies, Drive Global Intelligent Manufacturing." Autowell is a practitioner and a pioneer in the wave of intelligent manufacturing in the global new energy market. During the reporting period, we participated in a variety of exhibitions held in Indonesia, Türkiye, Germany, the United States, and India, continuously strengthened international exchanges and cooperation, improved our layout along the entire industry chain, and put energy into creating greater value for customers and accelerating the growth of the global new energy market.

Autowell attends Intersolar Europe held in Munich, Germany

In June 2023, Intersolar Europe, the world's leading exhibition for the solar industry was held in Trade Fair Center Messe München, Germany, bringing together a cohort of well-known solar photovoltaic enterprises from around the world. At this exhibition, Autowell presented its latest intelligent photovoltaic + energy storage manufacturing solutions, drawing attention from large audiences at home and abroad.



Autowell attends the International SolarEX Istanbul Fair in Türkiye

In April 2023, the annual International SolarEX Istanbul Fair took place, which is the largest and most influential solar energy and energy storage event in Türkiye and even the Middle East. As a reputed intelligent photovoltaic equipment manufacturer, Autowell came under the spotlight by showcasing a range of intelligent photovoltaic devices and solutions. The delegation also interacted with professionals from around the world and shared experience and views with one another to promote technological advances in the industry.



Involvement in industry events

Autowell shows off intelligent photovoltaic manufacturing technology at SNEC 2023

At the International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC 2023) in May 2023, Autowell showed off its integrated solutions of photovoltaic intelligent manufacturing and had in-depth discussions and exchanges with visitors on products and technologies, innovation and R&D, industrial development, and other topics.



Autowell attends the second EESA China International Energy Storage Expo

In August 2023, the 2nd China International Energy Storage Expo hosted by China Leader Energy Storage Alliance (EESA) was held in Suzhou International Expo Center. Autowell presented its ESS Cell Module/PACK Automatic Assembly Line in the field of energy storage.



GREEN DEVELOPMENT LOW-CARBON PRACTICES

In response to the call for global climate action, Autowell holds steadfast to the path of green development, persists in fulfilling the responsibilities and obligations for eco-environmental protection, actively carries out environmental management, keeps improving its environmental management capabilities, and coordinates the efforts to reduce carbon emissions, cut pollution, go green, and achieve growth. It makes great efforts to promote a green and low-carbon lifestyle and way of production and achieve concerted progress of economic growth and eco-environmental protection.

SDGs

3 Good health and well-being



11 Sustainable cities and communities



13 Climate action



6 Clean water and sanitation



- ◆ Environment management
- ◆ Pollutant management
- ◆ Energy resource management
- ◆ Green operations
- ◆ Carbon emission management

Performance by the Numbers

Investment in environmental protection

Investment in environmental protection

RMB73,600

Energy conservation management

Investment in energy-saving technology transformation

RMB345,400

Comprehensive energy consumption per RMB10,000 of output value

0.0015 tons of stand coal equivalent

GHG emissions reduction

▶ GHG emission intensity

0.012 tCO₂/RMB10,000 of revenue

▶ Wafer Inspection System (018F) received the carbon footprint certification.

Pollutant management

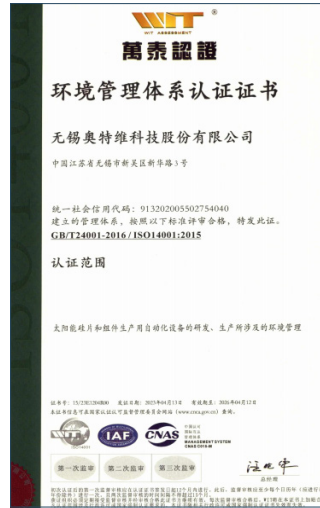
- ▶ Passed the green factory certification audit and was certified as a green factory in Jiangsu Province.
- ▶ The Company meets the Type 3 standard set forth in the GB 12348-2008 Emission standard for industrial enterprises noise at boundary.



ENVIRONMENT MANAGEMENT

Environmental management system

In strict compliance with laws and regulations such as the Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law, the Water Law, and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes, the Company continuously improves the construction of environmental management systems based on actual needs of businesses and day-to-day operations. It obtained the ISO14000 certification in April 2023.



To ensure the effective operation of its environmental and safety management system and continuously improve its environmental management system, the Company sets up the post of environmental and safety specialist to be responsible for environmental protection and production safety during production and business operations.

Autowell environmental and safety management system

Production safety inspection system	Management system for accidents involving heavy casualties	OHS education system	Safety and health management system for construction projects
Safety management system for special-purpose equipment and personnel	Stakeholder safety management system	Fire safety management system	Dangerous operations approval system
Temporary wiring approval system	Hazardous chemicals management system	Management system on traffic safety at factory	Management system on occupational disease prevention
Rewards and punishments system concerning safety	Protective equipment management system	Dust and virus control equipment management system	Management system on labor protection articles
System on the protection of female workers and minors	Management system for places with flammable or explosive articles	"Five-Point" production safety management system	Safety organization and personnel appointment and management system
Production safety target management system	Production safety responsibility management system	Group and post target performance management system	Change management system
Equipment operation card management system	Management system on the implementation of laws, regulations, standards, and norms	"Three Violations" management system	Management system on the implementation of rules and regulations
Management system on chemical property risk assessment and control	Performance evaluation management system	Warning marks and safety management system	Onsite leadership system
Equipment and facility safety management system	Equipment and facility inspection and maintenance management system	Construction and maintenance safety management system	Emergency relief management system
Hazardous chemicals management system	Source of danger management system	Document and file management system	Fire safety management system
Work-related injury insurance management system	Operating safety management system	Management system on the withdrawal and use of production safety funds	Management system on the operation of environmental protection equipment
Production safety meeting system	Classified safety risk management system		

Environmental emergency management

In order to better regulate emergency response to environmental emergencies, the Company has developed the Contingency Plan for Environmental Emergencies, conducted a systematic analysis of environmental risks and potential environmental emergencies, devised targeted environmental risk prevention and control measures, established an internal early warning system, and put in place emergency response resources. In addition, the Company organizes emergency response training and drills every year, prepares drill reports, and takes other measures to strengthen its emergency response ability.

Alcohol leakage emergency drill

The Company carried out an alcohol leakage emergency drill in February 2023, which enhanced employees' safety awareness and tested the response and cooperation capabilities of staff at relevant departments during emergencies.



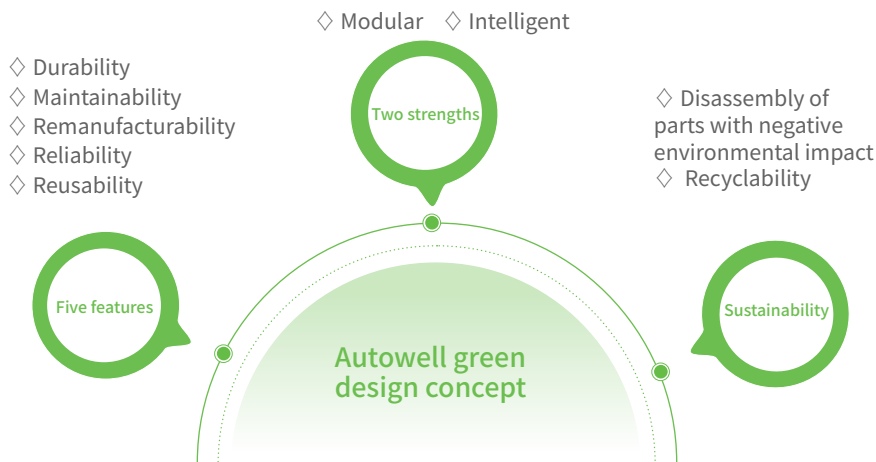
POLLUTANT MANAGEMENT

The Company attaches great importance to environmental safety and protection, incorporates the concept of green development in its daily operations, continuously strengthens pollutant management and the rational use of resources and energy, regularly organizes third-party agencies to carry out testing at factories involving occupational-disease-inductive factors, and takes effective measures to support the realization of the country's "carbon peaking and carbon neutrality goals."

Cleaner production

In 2023, Autowell participated in and passed the voluntary cleaner production audit, passed the green factory certification audit, and was certified as a green factory in Jiangsu Province. The Company further improved its green production technology to reduce the consumption of energy and materials during production and lower the generation and emission of pollutants, thus achieving both economic and environmental benefits. With its rapid development, the Company is constantly looking for better solutions for cleaner production and promoting green production and green lifestyles. The Company introduces the concept of ecological design (Reduce, Recycle, Reuse) to product design. In accordance with the requirements in GB/T 24256, it develops ecological designs for products taking into account resource conservation and comprehensive use in the selection of raw materials, product energy efficiency design, reduction or substitution of hazardous substances, cleaner production process and technology, packaging and transportation, recourse recycling, hazardless treatment, and other aspects.

Autowell passes green factory certification audit and is certified as a green factory in Jiangsu Province



Discharge of three wastes



Waste gas

The main types of waste gas generated at the Company are oil mist in machining workshops and oil smokes in the kitchen. Waste gas treatment devices are installed at the waste gas outlet to meet the emission standards, and the discharged waste gas is tested by testing agencies on a regular basis.



Waste water

No industrial wastewater is generated during production. There is only domestic sewage, which is pretreated by septic tanks 4 meters deep at the factory and then discharged to the municipal pipe networks and centrally treated by Wuxi Xincheng Water Treatment Plant.



Solid waste

In order to minimize environmental impact, solid waste is collected in a classified way and centrally handled before it is transferred to qualified departments for proper treatment. The company entrusts qualified agencies to handle the hazardous cutting fluid generated during production.

Noise management

We pay high attention to the impact of noise during production on the neighboring environment and employees. The Company is located in an industrial park, with no residential buildings and living quarters around it. We take multiple measures such as protective equipment, work environment testing, and occupational health check to minimize the occupational health hazards of noise on employees.

During the reporting period, the Company met the Type 3 standard set forth in the GB 12348-2008 Emission standard for industrial enterprises noise at boundary.

ENERGY RESOURCE MANAGEMENT

Energy management system

Following the energy policy of “compliance with laws and regulations, energy saving and lower consumption, science-based development, and continuous improvement,” Autowell continued to improve the energy management system, promote the application of the online energy consumption monitoring system and on the basis of analysis and use of energy consumption big data, advance refined energy management, adopt new energy management methods, and fully tap into the energy saving potential, thus ensuring the effectiveness of energy management and use.



ISO 50001:2018 energy management system certification



Energy monitoring and management system

Energy resource use

The energy resources used during production and operations mainly include municipal water, purchased electricity, fuel, and natural gas.

2023

Electricity	Fuel	Natural gas
5,894,500 Kwh	132.83 tons	46.26 KNm ³
Municipal water	Total energy consumption	Comprehensive energy consumption per RMB10,000 of output value
72,697 tons	975.72 tons of stand coal equivalent	0.0015 tons of stand coal equivalent

Note: The direct energy mainly includes fuel and natural gas, and the indirect energy is purchased electricity. Comprehensive energy consumption is calculated based on the conversion factors in the GB/T2589-2020 General rules for calculation of the comprehensive energy consumption.

GREEN OPERATIONS

Green office

The Company advocates green and low-carbon practices among employees in their daily life and at work, and has launched the green office campaign. We encourage every employee to save resources, avoid waste, help build a paperless office, and reduce carbon footprint.

01



Set air conditioners at proper temperature according to the season, avoid using air conditioners while leaving doors and windows open, and advocate using air conditioners one hour less.

02



Turn off air conditioners, lights, computers, printers, and other equipment after work to reduce energy consumption and avoid waste.

03



Choose energy-saving lamps for outdoor and indoor lighting, use natural light as much as possible, reduce the number of lamps when there is sufficient lighting, and adjust the duration of lighting according to the season.

04



Advocate paperless office. Per capita paper consumption: In 2022, per capita paper consumption at the Company was 860.62 pieces, and the figure declined to 648.39 in 2023, down 24.66% year on year.

Publicity and training on environmental protection

The Company pays high attention to promoting energy conservation and environmental protection. During the reporting period, we promptly shared and promoted the latest laws, regulations, and policies related to energy conservation and carbon emission reduction through training, putting up posters, and other methods. We organized employees to participate in environmental protection activities and promote new energy-saving products and technologies that with lower carbon emissions, increasing employees' awareness of energy conservation and environmental protection.

2023 National Energy-Saving Publicity Week

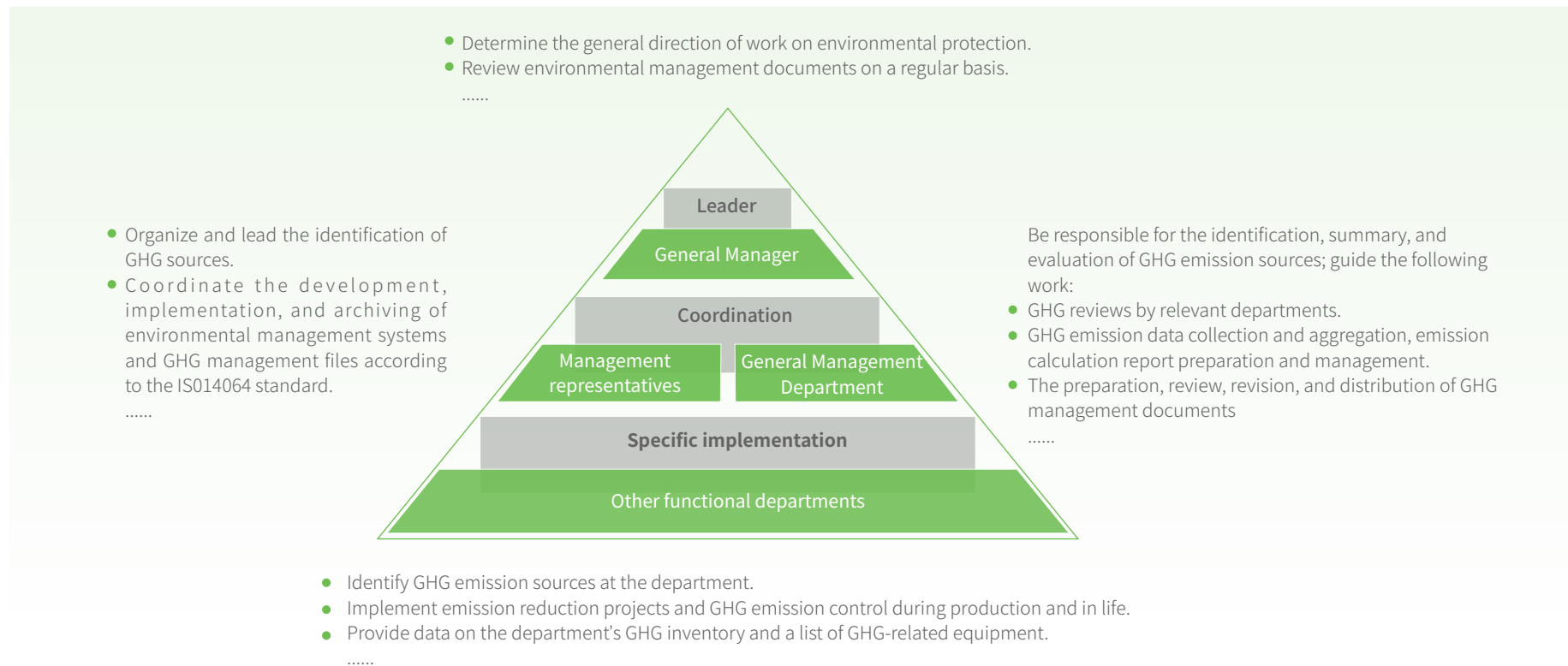
In July 2023, to celebrate the National Energy-Saving Publicity Week, the Company produced and put up banners and posters advocating energy conservation and further strengthened work in this regard. Solid measures were taken to reduce the consumption of water, electricity, and other energy sources, advocate civilized, economical, green, and low-carbon consumption and lifestyles, and foster a good atmosphere for energy conservation among all employees.

CARBON EMISSION MANAGEMENT

Upholding the green concept, we lead the electronics industry to actively perform social responsibility. In 2023, the Company set up a carbon verification working group to manage carbon emissions according to the ISO 14064 standard. In May 2023, the Company released its 2022 greenhouse gas verification report, setting an example for China's special-purpose equipment manufacturing industry in carbon inventory and carbon intensity measurement.

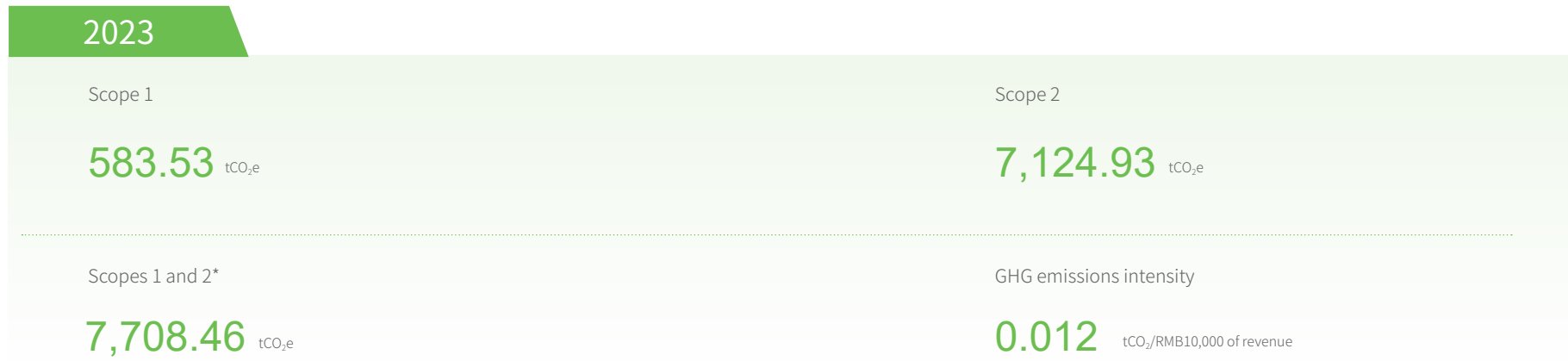
Working group on greenhouse gas verification

In order to ensure the effectiveness of GHG emission verification, accounting, and other work, the Company has established a carbon emission management architecture headed by the General manager, where representatives of the management and the General Management Department take charge of the implementation, and other functional departments act as the implementing departments. Steps are taken to build a well-regulated carbon emission management system, engage the entire staff, and keep the Company on the course of clean, low-carbon, and high-quality development.



Greenhouse gas emissions in 2023

During the reporting period, we carried out verification of GHG emission sources within the boundaries according to law, so as to do a better job in GHG emission reduction and accurately grasp and manage the situation of GHG emissions. According to the results, major GHG emission sources include purchased electricity, natural gas, gasoline, diesel oil, and some refrigeration units. Among them, indirect emission (i.e., Scope 2) is the most important source of greenhouse gas emissions of the Company, which is mainly generated from electricity used during operations.



* Direct GHG emissions (Scope 1) and indirect emissions (Scope 2) are calculated according to 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the GB/T2589-2020 General rules for calculation of the comprehensive energy consumption, where power grid emission factors are calculated according to the Notice on Strengthening the Management of Greenhouse Gas Emission Reporting of Enterprises in Power Generation Industry 2023-2025.

Wafer Inspection System holds carbon footprint certification

During the reporting period, we established the product lifecycle assessment (LCA) management system, introduced the product carbon footprint accounting method, analyzed the carbon footprint of Wafer Inspection System (018F), calculated GHG emissions in its lifecycle, and developed an LCA carbon footprint report. The equipment obtained the green footprint evaluation certificate from the China Quality Certification Center (CQC) in June 2023.

According to the report, the system boundaries in the lifecycle of Wafer Inspection System include five stages: raw materials, manufacturing, distribution, use, and waste disposal/recycling. Among them, functional units in the raw materials stage have the highest carbon emissions at 7,484.29 kg CO₂e, accounting for over 90% of the total. In response, we identified and evaluated the impact factors and developed improvement measures to go greener.



Energy conservation and carbon reduction management

Energy-saving technology transformation

The Company continued to lower energy consumption by strengthening energy conservation management during manufacturing, optimizing the production process, and reducing unit kinetic energy consumption of products. We further promoted the application of the online energy consumption monitoring system and on the basis of analysis and use of energy consumption big data, advanced refined energy management, adopted new energy management methods, and fully tapped into the energy saving potential, thus ensuring the effectiveness of energy management and use.

Total investment in
energy-saving technology
transformation

RMB 345,400

Using energy-saving equipment to improve energy efficiency

Energy-saving and efficient air pressurizers are used to improve energy efficiency. The frequency conversion technology for energy saving is applied to adjust the load speed and improve the power efficiency of centrifuges, centrifugal pumps, and other equipment.



Energy-saving air pressurizer

Revamping the air conditioning system to reduce energy consumption

During the reporting period, the Company optimized the air conditioning system, which turned out effective in saving energy. Electricity of 500,000 kWh was saved a year.

Reduction in power
consumption

50,000 kWh

Optimizing the production process to reduce unit kinetic energy consumption of products

The Company optimized the production process of automated equipment to reduce energy consumption. The original method of using compressed air to achieve automatic operations is replaced with a vacuum regulation system to reduce energy consumption. As to the production process of Automatic Solar Module, the previous method of oil heating is changed to electromagnetic heating, reducing energy consumption by 50%.

Use of clean energy

In response to the country's call for clean energy, the Company pushed forward the construction of solar photovoltaic power generation projects in the production base, providing clean energy into for our green and low-carbon development. As of the end of the reporting period, the rooftop solar photovoltaic power station in our Phase I plant on Xinhua Road covered an area of 17,000 square meters, with an installed capacity of 1,599.4 kWp and an estimated annual generating capacity of 1,764.06 MWh. This can reduce carbon dioxide emissions by about 1,006 tons a year.

The solar photovoltaic power generation system not only optimizes the energy mix of the Company but is also conducive to insulation and sun shielding of buildings. Especially in the scotching summer, it can effectively reduce the indoor temperature and lessen the burden of air conditioners, further improving the energy efficiency and environmental benefits.

Area of rooftop solar PV
power station in Xinhua
Road Phase I plant

17,000 sq.m

Estimated annual power
generating capacity

1,764.06 MWh

Installed capacity

1,599.4 kWp

Reduction in carbon
dioxide emissions

1,006 tons

(Note: GHG accounting is carried out according to the Guidelines on the Methods of Accounting and Reporting on Greenhouse Gas Emissions of Enterprises in Other Industry Segments (for Trial Implementation) issued by China's National Development and Reform Commission, where the emission factors for power generation are calculated based on the power grid carbon emission factors in the Notice on Strengthening the Management of Greenhouse Gas Emission Reporting of Enterprises in Power Generation Industry 2023-2025 released by the Ministry of Ecology and Environment and the research report China Regional Power Grids Carbon Dioxide Emission Factors (2023).



Using more clean energy to improve the energy mix

In order to further optimize the energy mix, all street lamps at the factory were replaced with solar-powered lamps, and a total of 51 such lamps were installed. A number of smart charging piles were installed at the factory to facilitate charging on a staggered schedule and encourage employees to use electric vehicles, reducing the consumption of fossil fuels.

Appendix 1. Definitions

Terms	Description
Packaging & Testing sectors	Packaging & Testing sectors in the semiconductor industry is the final process of integrated circuit manufacturing. They refer to the process in which the tested wafers are processed into independent integrated circuit according to the product model and functional requirements
PV Cell Soldering Stringer	It is a type of soldering equipment used to solder electronic components, circuit boards, cells, or other small metal parts.
Laser Dicing	It refers to the process in which high energy laser beams are used to irradiate on the surface of the workpiece so the irradiated area is melted and vaporized for the purpose of dicing
Annealing Furnace	It is a type of heat treatment device used to improve the physical and chemical properties of materials
Multi-axis Linkage	It refers to simultaneous processing on multiple coordinate axes (including rectilinear coordinates and rotational coordinates) on the same machine tool, and coordinated motion under the control of a computer numerical control (CNC) system
Monocrystal Growth Furnace	It is a device used for growing single crystals to manufacture monocrystal materials
PACK Automatic Assembly Line	It is an automatic assembly line where multiple batteries of cells are connected to form a battery pack with larger current capacity
Laser Enhanced Metallization	It refers to the process in which high energy laser beams are used to heat metal powder
Scope 1 Emissions	Scope 1 emissions are direct greenhouse emissions that occur from sources that are controlled or owned by an organization
Scope 2 Emissions	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
Semiconductor Packaging	It refers to the process in which the tested wafers are processed into independent integrated circuits according to the product model and functional requirements
Wire Bonding	It is a semiconductor packaging technique used to connect the integrated circuits to the electrical appliances
IGBT	Insulated Gate Bipolar Transistor
TOPCon	Thin Oxide Passivated Contact
ISO9001 quality management systems	A complete set of international standards developed by the ISO/Technical Committee
TÜV	Technischer überwachungs-Verein (TÜV) is a leading technical monitoring association based in Germany, which functions similar to the bureau of quality and technical supervision in China
ETL	The ETL Mark is Intertek's most prominent certification in North America
CE Certificate	European Conformity (CE) is a safety certification mark that is regarded as a licensing or manufacturers to enter the European market
EAC Certificate	The Eurasian Conformity (EAC) certificate (or declaration of conformity) is a document used to prove that the exported goods meet the requirements of the Technical Regulations of Customs Union (TRCU)
MSA	Measurement System Analysis (MSA) refers to the process in which the method of statistical analysis is used to evaluate and improve the process of measuring systems
5W	5W stands for What, Why, Where, Who, and When. It is a fundamental framework for problem solving and decision making
MRB	A Material Review Board (MRB) is a group of people who review nonconforming material that has been referred to this board when all inspection workstations are unable to determine whether it is nonconforming
SQE	Supplier Quality Engineer
ISO14000	A series of environmental management standards developed by the International Organization for Standardization (ISO)
ISO45001	The occupational health and safety management system is used to help organizations around the world protect the health and safety of their staff
ISO14064	A series of international standards that provides the world's best models for GHG information and data management, reporting, and validation
LCA	Lifecycle Assessment

Appendix 2. GRI Index

Topics Standards	Disclosure Items	Pages
Organization and its reporting practices		
G2-1	Organizational profile	About ATW
G2-2	Entities included in organizational sustainability reporting	Notes on the Report
G2-3	Reporting period, reporting frequency, and contacts	Notes on the Report
G2-4	Information restatement	Notes on the Report
Activities and workers		
G2-6	Activities, value chains, and other business relations	About ATW
G2-7	Staff Member	Employment equity and diversity
Governance		
G2-9	Governance structure and composition	Organization
G2-12	Supervisory role of the highest governing bodies in impact management	Operation of the three meetings
G2-15	Conflict of interest	Information disclosure management
G2-17	Common knowledge of the highest governing bodies	Employee training
Strategies, policies, and practices		
G2-23	Policy commitment	Internal control system; employment equity and diversity
G2-24	Integration policy commitment	Employment equity and diversity
G2-25	Procedures to remedy negative impacts	Smooth reporting channels; protection of customer rights and interests
G2-26	Mechanisms for seeking advice and raising concerns	Smooth reporting channels; protection of customer rights and interests
G2-27	Compliance with laws and regulations	Information disclosure management
G2-28	Membership qualifications of societies	Support for industrial development
G2-29	Participation methods for stakeholders	Communication of stakeholders
Substantive topics		
G3-1	Process of identifying substantive topics	Identification of material topics
G3-2	List of substantive topics	Identification of material topics
Economic performance		
G201-1	Direct economic value generated and distributed	Performance summary; tax payment according to law
G201-3	Defined benefit plan obligations and other retirement plans	Benefits system
Indirect economic impacts		
G203-1	Infrastructure investments and services supported	Contribution to community development
G203-2	Significant indirect economic impacts	Innovation achievements
Procurement practices		
G204-1	Proportion of expenditure on procurement from local suppliers	Sustainable supply chain
Anti-corruption		
G205-2	Communication and training of anti-corruption policies and procedures	Anti-corruption and anti-bribery; smooth reporting channels

Topics Standards	Disclosure Items	Pages
Taxation		
G207-3	Stakeholder involvement and management of tax-related issues	Stakeholder identification
G207-4	Country report	Performance summary
Energy		
G302-2	Energy consumption outside the organization	Energy resource use
Water and effluents		
G303-1	Interaction between organizations and water as a common resource	Discharge of three wastes
G303-2	Management of drainage related impacts	Discharge of three wastes
Emission		
G305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions in 2023
G305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions in 2023
G305-4	GHG emissions intensity	Greenhouse gas emissions in 2023
G305-5	Reduction of GHG emissions	Greenhouse gas emissions in 2023
Waste		
G306-1	Waste generation and significant waste-related impacts	Discharge of three wastes
G306-2	Management of waste related significant impacts	Cleaner production
Environment assessment of suppliers		
G308-1	New suppliers screened using the environmental assessment dimension	Attention to supplier ESG performance
Employment		
G401-1	New employee hiring rate and employee turnover rate	Employment equity and diversity
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits system
Occupational health and safety		
G403-1	Occupation health and safety management system	Occupational health and safety
G403-2	Hazard identification, risk assessment, and accident investigation	Occupational health and safety
G403-3	Occupational health service	Occupational health and safety; employee privacy protection
G403-6	Promoting worker health	Occupational health and safety
G403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Occupational health and safety; care for mental health
Training and education		
G404-1	Average annual training hours per employee	Employee training
G404-2	Employee skills upgrading programs and transition assistance programs	Employee training
Diversity and equal opportunity		
G405-1	Diversity of governance bodies and employees	Employment equity and diversity
Public policy		
G415-1	Political contribution	Public interest activities and donations



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