Feedback on Greenhouse Gas Emissions for 2022

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➢ Carbon Footprint Results 2021

- In accordance with the Climate Action Plan of the Battsys Climate Action Management plan, the "Climate Action Management Committee" organized the management of carbon emissions by each division from April to May 2022, and completed the carbon emission accounting for the previous year in May.
- Submitted CDP climate change questionnaire for completion in July 2022 and made public the results of the Fung Kong Carbon Footprint Calculation. received a score of C in December (on par with the average scores for the world, Asia, and the electronics industry).

2 结果 / battsys

名字	回复	年	状态	分数
Guangzhou Battsys Co.,Ltd	Climate Change 2022	2022	已提交	C
Guangzhou Battsys Co.,Ltd	Climate Change 2021	2021	已提交	C

请注意：并非所有被要求回复CDP的公司都这么做。未按要求披露数据或披露数据不完整的给公司将获得一个F。但F并不表示环境管理失败。

➢ Carbon Footprint Target 2021

- Battsys GHG emissions Scope I & II produce 6921.94 metric tonnes of CO2e in 2020 and 5093.03 metric tonnes in 2021, a year-on-year decrease of 26.42%.
- Battsys GHG Emission Scope III 42,865.83 metric tonnes in 2020 and 34,162.63 metric tonnes in 2021, a decrease of 20.30 per cent year-on-year.

Year	Scope Ⅰ	Scope Ⅱ	Scope Ⅲ	Total emission
2019	435.76t	8846.95t	43451.22t	52733.93t
2020	314.65t	6607.29t	42865.83t	49787.77t
2021	238.60t	4854.43t	34162.63t	39255.65t
Reduction from 2021 to 2020	-26.42%		-20.30%	-21.15%
SBTI Target Completion	SBTI emission reduction target of 4.48 per cent per annum met		SBTI emission reduction target of 2.5 per cent per annum met	SBTI has not set a target for total emissions

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2022 Achievement Exhibition

- After the addition of the scientific carbon target in 2021, the SBTi will only accept emission reduction targets of 1.5 ° C of warming or even higher from 2022 onwards. In the same month, in order to meet Uranus' requirements on climate management, Battsys submitted an application to SBTI to change the target, updating the 10-year temperature rise control target far below 2.0 ° C to 1.5 ° C, and passed the review of the target change in October.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

info@sciencebasedtargets.org
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Approved science-based target

The Science Based Targets initiative has validated that the corporate greenhouse gas emissions reduction target(s) submitted by

Guangzhou Battsys Co., Ltd

have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 5). The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

The official target wording is:

Guangzhou Battsys Co., Ltd commits to reduce absolute scope 1 and 2 GHG emissions 44.8% by 2029 from a 2019 base year. Guangzhou Battsys Co., Ltd also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe.

Date of issue: Oct, 2022

Certificate Number: GUAB-CHI-002-OFF

An initiative by CDP WORLD RESOURCES INSTITUTE WWF

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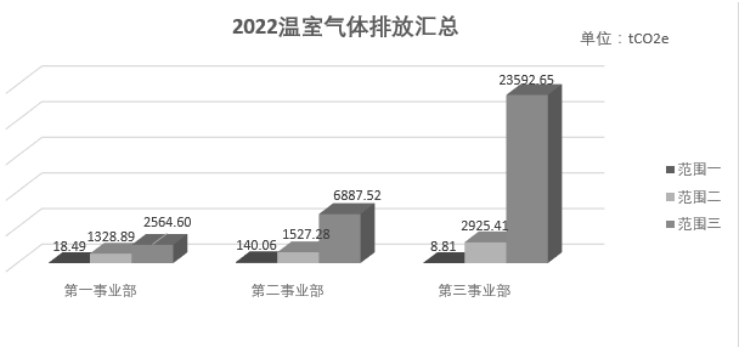
2022 Calculation Result

Unit/tCO2e	2022			
	Scope Ⅰ	Scope Ⅱ	Scope Ⅲ	Total
QTY	167.36	5781.58	33044.77	38993.71



Total GHG emissions in 2022 will be 38,993.71tCO2e, a decrease of 0.67% compared to last year, Scope I & II emissions will be 5,948.94tCO2e, an increase of 16.8% compared to last year, and Scope III emissions will be 3,304,477CO2e, a decrease of 3.27% compared to last year, and emissions will reach the SBTi reduction target for 2022.

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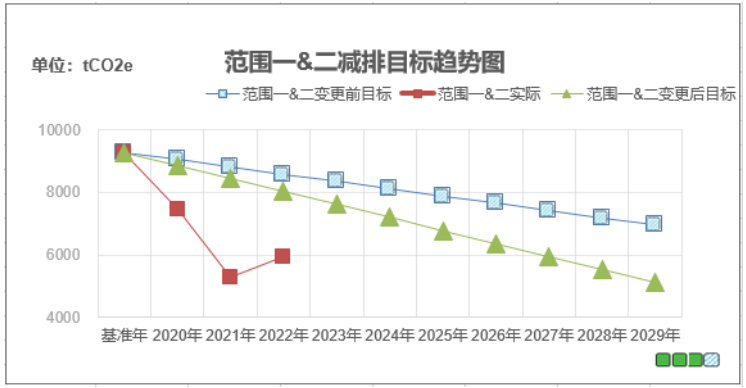
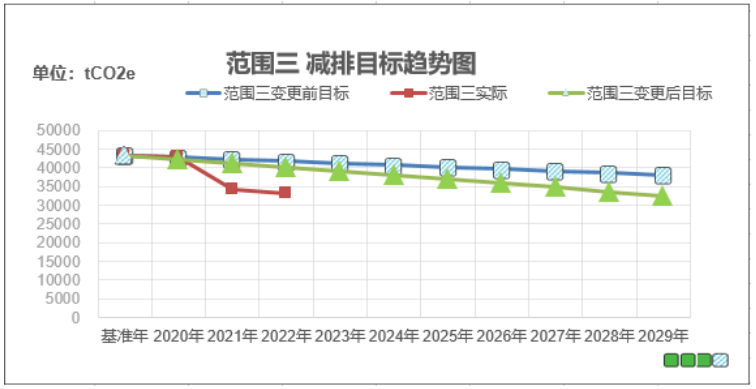
2022 Calculation Result

- Battsys based on the requirement of setting the scientific carbon target, the 10-year emission reduction target is changed to the scientific and arrangement target of warming no higher than 1.5°C. The carbon emission of Scope I & II in 2019 is 9,282.8 tonnes as the base year, and the 10-year emission reduction target is set:
- 1) Achieve a cumulative reduction in absolute Scope I & Scope II GHG emissions of 5124.1tCO2e and a cumulative reduction in absolute Scope III GHG emissions of 10862.8tCO2e by 2029.
- 2) Reduce Scope I & II absolute emissions by 44.8 per cent by 2029, with a linear reduction of 4.48 per cent per year, and Scope III absolute emissions by 25 per cent by 2029, with a linear reduction of 2.5 per cent per year.

Scope	Base Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Scope Ⅰ	435.76	415.54	395.33	375.11	354.89	334.67	314.45	294.23	274.01	253.79	233.57
Scope Ⅱ	8847.00	8451.54	8056.08	7660.62	7265.16	6869.70	6474.23	6078.77	5683.31	5287.85	4892.39
Scope Ⅲ	43451.23	42364.95	41278.67	40192.39	39106.10	38019.82	36933.54	35847.26	34760.98	33674.70	32588.42





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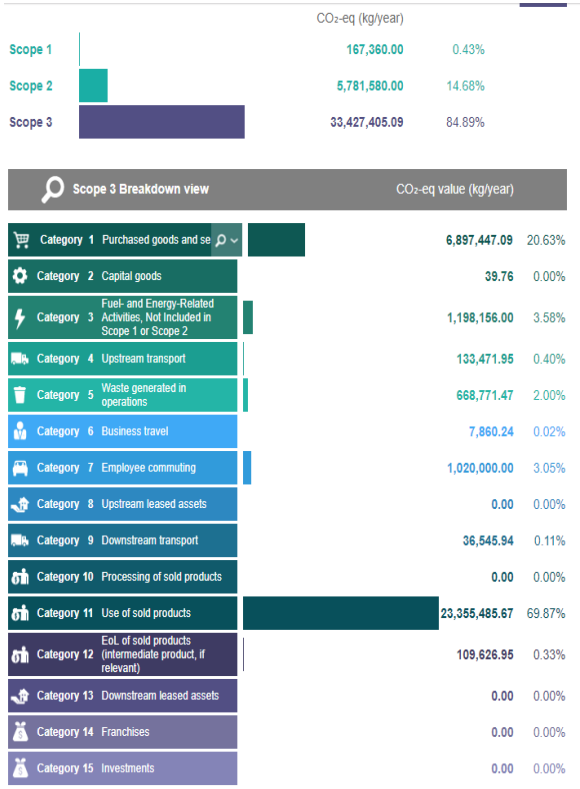
2022 Results Statement

Scope I is the direct GHG emissions (employee life, vehicle fuel, refrigerant use), with no significant difference in the values of annual usage;

Scope II is the emissions indirectly generated by energy consumption (electricity use), which varies in parallel with production output for production start-up equipment, except for basic electricity use such as lighting and offices.

Scope I & II Statement



The Scope Ⅲ data for 2022 is 2.1 per cent lower compared to last year, and overall similar to last year's values.

Scope III emissions mainly come from the procurement of goods and services by project 1 and the use of sold products by project 11, and the ratio of scope III emissions accounted for by each project is similar to that of previous years, in which the procurement of raw materials by project 1 is related to the production volume, and the use of sold products by project 11 is related to the shipment volume, and the ratio of scope III emissions accounted for by project 1 is in line with the production volume and shipment volume, and the data are in line with the normal pattern.

Scope Ⅲ Statement

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2022 Emission reduction completion

- Formation workshop needle bed cabinet import application, reduce power consumption, import one in 2022, can reduce electricity consumption 4056kwh per year, calculated to reduce scope two greenhouse gas emissions 2.31tCO2e.

- The CCD appearance full inspection equipment replaces the manual, which can reduce the staff allocation of the post and reduce the greenhouse gas emissions of Scope Ⅰ and Scope Ⅲ. It can reduce the number of employees by 8 and reduce greenhouse gas emissions by 0.37tCO2e per year.

- The DY system cell eliminates powder baking, reduces the energy consumption required for powder baking, and reduces Scope Ⅱ GHG emissions. Based on an annual production of 6 million PCDs, this reduces GHG emissions by 6.18tCO2e per year.

Summary: In 2022, the company reduces greenhouse gas emissions by a total of 8.86tCO2e across all scopes by improving processes or equipment.

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2023 Emission Reduction Plan

- Cancellation of high-temperature aging process saves power consumption of high-temperature aging cabinet, which is expected to reduce energy consumption by 269,568kwh per year, calculated to reduce greenhouse gas emissions by 153.73tCO2e.

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- Improvement of defective projects to promote the reduction of quality loss of negative electrode coating and winding in Workshop 1, improve the finished product rate of Workshop 1, and reduce Scope 3 emissions generated by materials and scraps, which is estimated to reduce GHG emissions by 145.24tCO2e based on an annual output of 6 million.

- Shorten dehumidification system start-stop time optimisation, reduce dehumidification system start-up energy consumption, reduce scope II emissions. It is expected to reduce energy consumption by 121,368kwh per year, which is calculated to reduce greenhouse gas emissions by 69.22tCO2e.

Summary: 2023 is expected to reduce greenhouse gas emissions by 653.34tCO2e by improving processes and purchasing cleaner energy use.

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