



Empowering · The Future of the Energy Storage

Climate-and Nature-related Financial Disclosure Report 2025

Xiamen Hithium Energy Storage Technology Co., Ltd.

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Summary

As the first TNFD report in the industry, this Report systematically summarizes and discloses for the first time the natural foundation of Hithium's complete industrial chain from upstream raw material mining, transportation and processing, solution design and component manufacturing to downstream sales and service lifecycle management, as well as the associated opportunities and risks faced by Hithium. We firmly believe that natural capital is the cornerstone supporting the sustainable development of the energy storage industry. By integrating nature-related factors into the core of the Company's strategy and risk management, we aim to build a more resilient and responsible green value chain and contribute our wisdom and strength to building a zero-carbon future in harmony with nature.

Solid Governance Foundation

- Formulated and publicly released a series of policies such as the *Biodiversity Protection Policy*, the *Water Resources Management Policy*, the *Environmental Health and Occupational Safety Policy*, and the *Environmental Management Statement*;
- Established a **three-level governance mechanism** covering "decision-making level - management level - execution level".

Scientific Risk Management

- Based on the climate- and nature-related risk and impact management process, assessed **physical risks** (based on RCP 2.6, 4.5, 8.5 pathways) and **transition risks** (based on carbon pricing pressure under policy paths such as 2050 net zero policy); under the 2050 net zero scenario, systematically identified the **development potential** of energy storage business;
- Based on the **LEAP analysis process**, through BIA and WWF BRF, **19 locations** covering **upstream, own operation and downstream** are analyzed to identify sites with materiality in ecological interaction;
- Used ENCORE to identify **the dependency and impact** of Hithium's value chain on ecosystem services and natural resources.

Green Transition Layout

Clean Technology Research and Development

Promoted the **deep integration of industry, university and research**, and promoted the transformation of new energy technology from introduction and adoption to independent innovation, forming an **integrated innovation and coordinated technology development mode** of the whole industrial chain of upstream and downstream new energy science and technology innovation;

Innovation in Low-carbon Products

Provided customers with **safe, efficient, clean and sustainable green energy solutions and products**. We accurately anticipated the strategic opportunities in long-duration energy storage scenarios and launched **the industry's first ∞ Cell 1175 Ah energy storage battery tailored for long-duration energy storage scenarios, and the world's first sodium-ion battery dedicated to power storage, the ∞ Cell N162 Ah**, effectively contributing to carbon reduction;

Green and Low-carbon Operation

Through circular economy, energy management, sustainable water management, carbon data management and other forms, we promoted corresponding protection, repair and active compensation actions, and strived to achieve the balance of ecological loss and gain;

- The Xiamen, Chongqing, and Shenzhen bases and R&D centers have all obtained **PAS2060 carbon neutrality certification**;
- Xiamen Base has been recognized as a **National Green Factory** and **National Green Supply Chain**;

Ecological Protection and Restoration

We carried out ecological baseline survey in the planning and construction stage of the plant area; minimized disturbance to local natural habitat and biodiversity through scientific layout and introduction of **environmentally friendly technologies** such as Honeycomb-type impedance composite muffler noise reduction system;

Green Supply Chain Management

Leveraged its strengths in industry integration and coordination to deliver safe, efficient, clean, and sustainable green energy solutions and high-quality services to global clients. The Company **scored 80 points** in its first appearance in **EcoVadis** and won the **Gold Medal**, ranking among the **top 5% of the participating enterprises in the whole industry**.

Targets and Performance Tracking

Clean Technology Opportunities

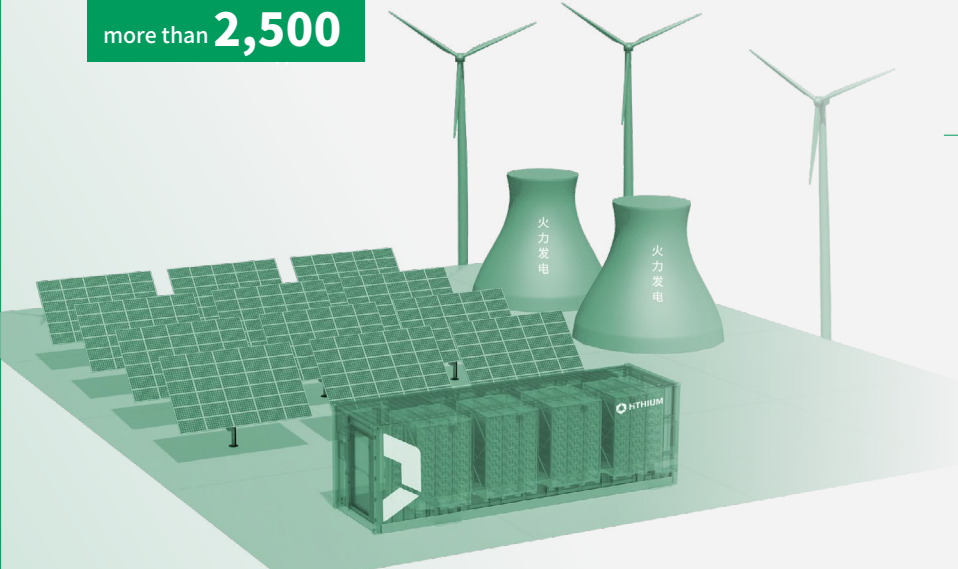
In 2025

we achieved the target of applying for a cumulative number of clean technology patents

more than **4,500**

we achieved the target of obtaining a cumulative number of licensed clean technology patents

more than **2,500**



Climate Change Response

In 2025

we achieved the target of site coverage of our climate risk emergency response plans

100%

we achieved the target of reducing the comprehensive energy consumption intensity compared to 2023

5%

we achieved the target of reducing NO_x emissions intensity in exhaust gas compared to 2023

15%

we achieved the target of reducing SO_x emissions intensity in exhaust gas compared to 2023

15%

we achieved the target of reducing hazardous waste emissions intensity compared to 2023

15%

Product Carbon Footprint

In 2025

we achieved the target of ISO 14067 coverage for key cell products

100%

Currently, the Company has received approval for its near-term targets from the Science Based Targets initiative (SBTi), becoming the first enterprise in China's energy storage industry to obtain such certification.





About this Report

This Report is the first *Climate- and Nature-related Financial Disclosure Report* (the "Report") issued by Xiamen Hithium Energy Storage Technology Co., Ltd. ("Hithium", the "Company" or "We") and its subsidiaries. This Report reflects the strategic approach and responses of Hithium in terms of climate change response and natural ecological protection, including the practices and results of climate- and nature-related risks and opportunities identification, establishing the climate and nature governance structure and formulating the green and low-carbon transformation plan, etc., to show our determination to achieve sustainable development.

Scope of the Report

Organizations Covered

This Report covers Xiamen Hithium Energy Storage Technology Co., Ltd. and its subsidiaries. The relevant financial data involved are based on the statistical scope of the consolidated financial statements in the 2024 annual report, and other relevant data and information are from the relevant internal statistical reports or documents of Hithium. Please refer to the description of "ESG Data Performance Form" for the data coverage of this Report.

Reporting Period

This Report is an annual disclosure covering the period from 1 January 2025 to 31 December 2025 (the "Reporting Period" or the "Year"). To enhance comparability and completeness, certain information may extend beyond the stated period, which is explained as appropriate.

Currency

All monetary amounts in this Report are measured in RMB.

Report Language and Access

This Report is available in both Simplified Chinese and English versions. In the event of any discrepancies, the Simplified Chinese version shall prevail. It is available in electronic format on the Company's official website.

Basis of Preparation

This Report refers to the *IFRS S2 Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the *TCFD Recommendations on Climate-related Financial Disclosures* issued by the Task Force on Climate-related Financial Disclosures (TCFD), and the *Recommendations for Nature-related Financial Disclosures (V1.0)* (18 September 2023) and the *Guidance on the Identification and Assessment of Nature-related Issues: the LEAP Approach (V1.1)* ("LEAP Methodology") issued by the Task Force on Nature-Related Financial Disclosures (TNFD). The Report is presented from a stakeholder perspective.

Forward-looking Statements

All events that may occur or will occur in the future and their statements in this Report, including but not limited to the Company's strategy, plans, future business development, market trends, expected objectives and action plans, climate- and nature-related risks and impacts, are forward-looking statements. There are inherent risks and uncertainties in forward-looking statements, and many factors may cause actual results to differ from those stated in the forward-looking statements. The forward-looking statements referred to in this Report are only based on relevant information during the report preparation period for assumptions, estimates and forecasts, and Hithium has no obligation or responsibility to update and modify the above forward-looking statements.

Limitations

The LEAP analysis method and data source used in this Report are limited by the objective conditions of existing analysis tools and databases, so the analysis results have certain limitations. Specifically, there are differences in the processing accuracy of geographical data between different analysis tools, and the original databases have limitations. For example, when applying the Biodiversity Impact Assessment (BIA) tool, the data integrity of some areas is relatively insufficient due to the inconsistency of national criteria, delineation methods and data reporting mechanisms for the identification of Protected Areas (PAs) and Key Biodiversity Areas (KBAs). In addition, ecological characteristics such as uneven spatial distribution of species and dynamic changes of population density make it difficult for database-based analysis results to completely replace the accurate conclusions of field survey.

The current analysis is mainly qualitative, and there is no quantitative assessment of the financial impact of nature-related dependencies, impacts, risks and opportunities. As the financial quantitative analysis method needs to be improved, the Company plans to promote the financial quantification of nature-related issues in due time when the conditions are ripe in the future.

The map information cited in this Report is derived from internationally recognized analysis tools such as the World Wildlife Fund Biodiversity Risk Filter (WWF BRF) and is mainly used to help illustrate the spatial distribution characteristics of biodiversity and natural risks. The boundaries, regional division and names, etc. shown in the figures are for reference only and do not represent Hithium's position or opinion on the territorial sovereignty, boundary division or political attributes of any country or region.

01 | Governance

We are aware that healthy ecosystems are the cornerstone of human social and economic prosperity. Adhering to the mission of "Let green energy benefit all", Hithium deeply integrates climate change mitigation and response, respect for nature and protection of biodiversity into the core of corporate governance and strategy and promises to protect natural ecosystems operation. We have established and continuously improved the climate- and nature-related governance structure with the board of directors as the top governance and decision-making level, and have transformed this responsibility into daily actions and decision-making criteria. With practical actions, we have deeply embedded the management of climate- and nature-related risks and opportunities in the integrated into our core business strategy.



Biodiversity Management and Commitment

To build a systematic and standardized biodiversity management system and integrate the concept of biodiversity protection into enterprise operation, Hithium has formulated and publicly released a series of policies such as the *Biodiversity Protection Policy*, the *Water Resources Management Policy*, the *Environmental Health and Occupational Safety Policy* and the *Environmental Management Statement*.

Hithium strictly complies with national and international laws and regulations related to biodiversity conservation and actively implements the development of ecological civilization. We are committed to banning any form of illegal deforestation. The Company follows the mitigation hierarchy of "Avoid-Minimize-Restore-Compensate" to assess and manage the potential impact of business on the ecosystem and help build an eco-friendly supply system.

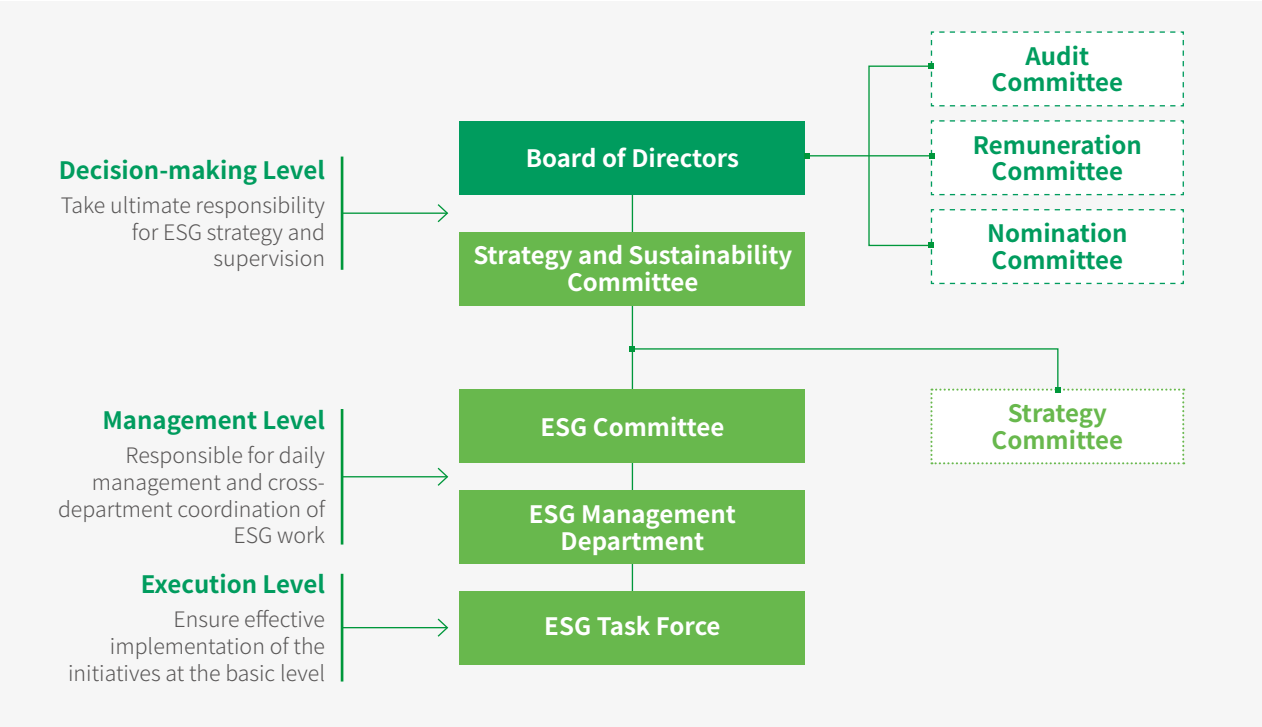
We commit to the following initiatives:

- Respect the natural ecosystem, incorporate biodiversity protection into the whole process of enterprise operation, actively carry out biodiversity protection measures, strive to achieve "no net loss" and gradually move towards "net positive impact".
- Put ecological protection in the first place, actively avoid all natural reserves and key biodiversity areas during project arrangement, and ensure that facilities that may endanger the ecological environment are not built around them.
- In the vicinity of biodiversity areas with important ecological value at the global and national levels, strictly avoid operational activities in our own and upstream and downstream value chains.
- Give priority to suppliers that have obtained sustainability-related certification to jointly promote the collaborative participation of the whole value chain in biodiversity protection.

Climate and Nature Governance Structure

Hithium has built a systematic and institutionalized climate- and nature-related risk governance structure, which is based on the Environmental, Social and Governance (ESG) system and achieves the whole process management of nature-related issues through a top-down strategic decision-making and implementation mechanism.

The Company has established a three-level governance mechanism covering the Decision-Making, Management, and Execution levels. The board of directors and the Strategy and Sustainability Committee, as the decision-making level, assume the ultimate responsibility for ESG strategy and supervision; at the management level, the ESG Committee and ESG Management Department are established for daily management and cross-department coordination of ESG work; the execution level is composed of the ESG Task Force and relevant business departments to ensure effective implementation of the initiatives at the basic level, form a governance system with clear rights and responsibilities and hierarchical implementation, implement the complete process from decision-making to implementation of climate- and nature-related risk matters, and promote the coordinated progress of enterprise development and ecological protection.



Hithium's sustainability governance structure

Decision-making Level

As the top governance body for climate- and nature-related risks and impacts, the board of directors is responsible for making decisions on establishment and improvement of the governance structure for climate and nature issues, making decisions on and inspecting climate and nature management matters and actual results, planning for sustainability policy blueprints and strategic objectives, and formulating relevant performance indicators according to the sustainable development plan and implementing progress supervision and assessment.

In addition, the board of directors authorizes the Strategy and Sustainability Committee to study and make suggestions on the Company's sustainability strategic objectives and ESG policy issues, supervise the implementation of the Company's sustainable development measures, assist the board of directors in decision-making and supervision of matters related to climate and nature management, formulate specific and feasible performance indicators, assessment and reward and punishment mechanisms, and prepare the Company's climate and nature management policy and system. It also monitors the identification, assessment and management of impacts, risks and opportunities related to climate and nature matters and monitors the disclosure of carbon emissions data.

The oversight of climate and nature matters by the board and the Strategy and Sustainability Committee is based on growing expertise and adequate external support. To improve the professionalism and effectiveness of supervision, the board and the Committee members regularly participate in special training in key areas of addressing climate change and natural risks and constantly enhance their understanding and judgment ability on cutting-edge issues. When making major decisions such as nature-related risk assessment and transition technology layout, the Committee actively introduces external experts to ensure that the decisions have scientific basis and forward-looking consideration. Through a dual-track mechanism combining "professional construction" and "external synergy", the board and the Committee can systematically identify climate- and nature-related risks and opportunities and provide resilient and clearly guided governance guidance for management to develop strategies.



Hithium attended the 30th United Nations Climate Change Conference (COP30) and delivered a speech

On November 12, 2025, COP30 was held in Belém, Brazil. The high-level side event themed "Promoting Green Innovation and Cooperation to Jointly Build the Green Silk Road", was guided by BRI International Green Development Coalition (BRIGC), Foreign Environmental Cooperation Center of Ministry of Ecology and Environment, PRC (FECO), and the Secretariat of the China Council for International Cooperation on Environment and Development (CCICED). Hao Wang, Director of Investment & Development at Hithium, attended the event and shared the Company's insights on innovation and local practice under the topic "Innovation and Local Practice: Advancing Global Green Transition Together". As a TNFD Supporter, we consistently and proactively responded to the Task Force on Nature-related Financial Disclosures initiative, integrating nature-related risks and opportunities into corporate strategic decision-making and sustainable development management. We are committed to contributing to the synergistic achievement of global biodiversity conservation and climate goals through responsible industrial practices and green technology innovation.

Management Level

The ESG Committee under the Strategy and Sustainability Committee is dedicated to managing the Company's sustainability-related matters, reporting ESG work to the Company's leaders, deciding on important ESG matters and issues, and helping the Company achieve sustainable development and long-term value creation. The ESG Management Department acts as the daily liaison secretariat of the ESG Committee to promote the implementation and orderly development of ESG work. The ESG Management Department assists the decision-making level and the ESG Committee in formulating and decomposing TNFD-related strategies and objectives, continuously improves the management system related to climate and nature risks and opportunities, formulates policies and systems related to climate change, monitors relevant data, conducts performance assessment, reports the completion of issue indicators on a quarterly and semi-annual basis, and actively coordinates the disclosure of carbon emissions and other data.

Our ESG Committee has 1 chairman, 5 standing members and several core members:

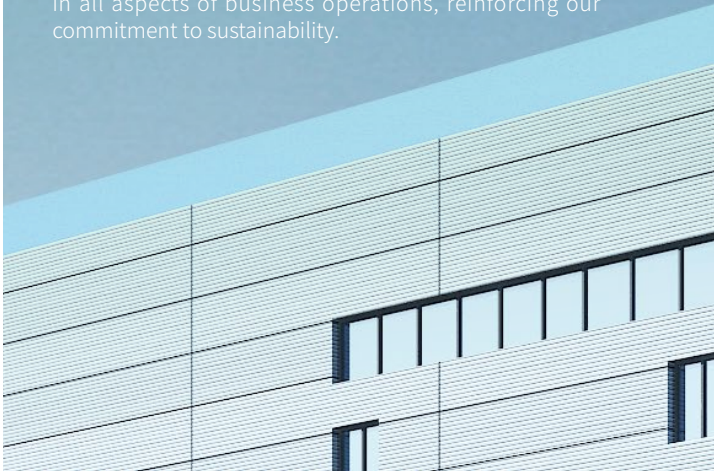
▶ Wu Zuyu Chairman/Chairman Background: New energy, R&D	▶ Wang Pengcheng Member/President Background: New energy, business development, investment	▶ Hu Zhijia Member/COO Background: New energy, procurement
▶ Wu Liqing Member/Vice President (in charge of Board Office and Audit & Supervision) Background: Finance, investment	▶ Lan Wenzhen Member/In charge of Sustainable Development Background: Intellectual property	▶ Zhao Jide Member/In charge of Human Resources Background: Human resources

Execution Level

As the execution body, the ESG Task Force is divided into Group Workgroups and Manufacturing Base Workgroups. Each group is responsible for the specific issues of climate and nature strategy within its scope of responsibility, implementing and coordinating relevant work, managing and collecting data, and reporting on the progress of indicators for corresponding issues on a regular basis.

In 2025, we set up a carbon inventory group, whose core mission is to support the Company to respond to the climate and nature framework and accurately manage nature-related risks and opportunities in the value chain. The group will be responsible for building and refining a carbon and natural resources data management platform, with a particular focus on natural resource consumption and impacts on biodiversity that are synergistic with carbon emissions. The results of its work will directly serve TNFD disclosures and provide key data for developing nature-based solutions and identifying natural dependencies in the supply chain.

By fully integrating the Group, senior management, relevant sustainability departments of the Group, all subsidiaries, and all manufacturing bases into a unified climate and nature management system, the Company ensures that ESG strategies are strongly supported by the decision-making level. With efficient execution and synergies, ESG concepts are deeply embedded in all aspects of business operations, reinforcing our commitment to sustainability.



Stakeholder Participation

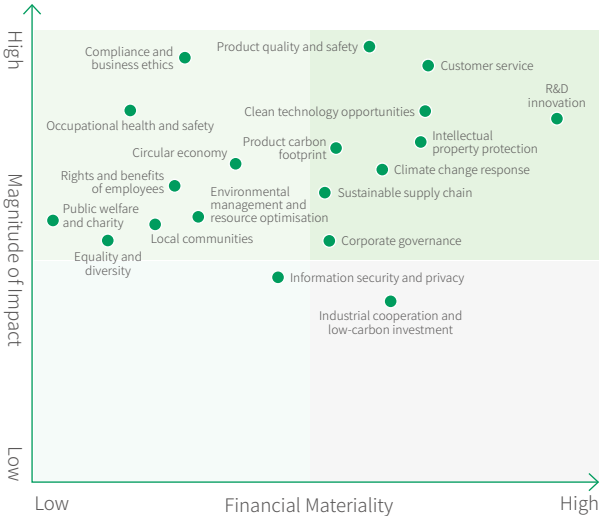
Hithium places the deep participation of stakeholders at the core of its sustainability strategy and regards it as a key basis for determining the direction of development. The Company has built a smooth and diversified communication mechanism to actively respond to the expectations and demands of regulators, clients, investors, employees, partners, suppliers, communities and social organizations.

We continuously enhance the understanding and participation of stakeholders in the Company's nature-related management and risk response work by conducting materiality issue assessment, regular research, regular communication and systematic information disclosure. This Report systematically presents climate and nature practices covering the whole industrial chain of Hithium, such as green factories, green supply chains and green products, fully reflecting the deep integration of all parties in the process of sustainable development of the Company.

In 2025, Hithium identified and evaluated 7 nature-related issues, including clean technology opportunities, climate change response, product carbon footprint, sustainable supply chain, industrial cooperation and low-carbon investment, circular economy, environmental management and resource optimisation. According to the annual assessment results reviewed by the board of directors, among the nature-related issues, clean technology opportunities, climate change response, product carbon footprint and sustainable supply chain are assessed as issues having material impacts on the sustainable development of economy, environment and society.

HiTHIUM conducted comprehensive identification and evaluation of

7 nature-related issues



2025 Hithium's Dual Materiality Issue Matrix

In the wave of global fossil energy transformation and sustainable development, Hithium has always placed responding to the expectations of global investors, clients and partners for a green and transparent supply chain at the core of its strategy. In 2025, the Company contributed professional suggestions and good practices to the standard setting of green supply chain by actively participating in industry activities such as preliminary research meetings on green procurement mechanism and evaluation standard in the energy industry.



Hithium actively participated in preliminary research meetings on green procurement in the energy industry

On 17 October 2025, the Preliminary Research Meeting on Green Procurement Innovation Mechanism and Green Procurement Evaluation Standard in the Energy Industry sponsored by the State-owned Enterprises Green Bidding and Procurement Committee of China Tendering and Bidding Association (CTBA) and undertaken by China Three Gorges Corporation was successfully held in the conference room of China Three Gorges Corporation in Beijing. Hithium actively participated in the meeting and put forward its suggestions on green procurement innovation mechanism, jointly pooling wisdom for promoting the construction and standardization of green supply chain in the energy industry.

To systematically manage the nature-related risks in the supply chain, we have fully integrated ESG requirements into our supplier management system. We have established a systematic supply chain due diligence process in accordance with internal systems such as the *Code of Conduct for Corporate Social Responsibility* and the *Code of Conduct for Social Responsibility of Suppliers*, and with reference to the *OECD Due Diligence Guidance for Responsible Business Conduct* and the *UN Guiding Principles on Business and Human Rights*.

The Company requires all suppliers to sign the *Supplier Management Agreement* and commit to abide by ESG provisions related to environmental protection, social responsibility and hazardous substance management. The Company also carries out targeted improvement plans for suppliers in six areas - labor management, health and safety, environmental management, business ethics, sustainable procurement, and mineral management. In addition, the Company further strengthens the traceability and risk control of key raw materials through the *Responsible Mineral Supply Chain Due Diligence Management Policy* and continues to promote the compliance and sustainability of the supply chain.

To implement the Company's ESG strategic objectives and strengthen the sustainability management of the supply chain, Hithium introduced third-party institutions in 2025 to carry out on-site special ESG audits of 40 key suppliers. These audits strictly referred to mandatory regulations and integrated relevant international standards as the basis for evaluation. The audit team accurately identified the environmental and social risks of the supply chain through on-site assessment and formulated targeted improvement plans for suppliers based on audit findings, to jointly build a sustainable and resilient value chain.

Carried out on-site special ESG audits of

40key suppliers

- ☐ EU New Battery Regulation (EU 2023/1542)
- ☐ The European Parliament and the European Council's Proposal for Amending the Corporate Sustainability Due Diligence Directive (EU CSDDD)
- ☐ German Supply Chain Due Diligence Act (LkSG)
- ☐ Ten Principles of the UN Global Compact
- ☐ UNEP Guidelines for Social Life Cycle Assessment of Products
- ☐ UN Convention on Biological Diversity
- ☐ UN Paris Agreement
- ☐ ILO Declaration on Fundamental Principles and Rights
- ☐ ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- ☐ International Bill of Human Rights, including the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)
- ☐ UN Guiding Principles on Business and Human Rights
- ☐ OECD Guidelines for Multinational Enterprises
- ☐ OECD Due Diligence Guidance for Responsible Business Conduct
- ☐ OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- ☐ Other applicable documents

Regulations and international standards complied with in Hithium's supplier ESG audits

On this basis, we continue to promote the construction of a supplier low-carbon development capacity system and comprehensively improve their practical ability in key areas such as ecological protection, environmental management and carbon emission management by organizing special ESG training for core suppliers.

 Hithium hired external experts for supplier ESG training

To deeply integrate biodiversity protection into supply chain management, Hithium, together with international authoritative certification institutions, launched targeted ESG capacity-building training for core suppliers. The training closely focused on Hithium's sustainable development strategy - HIMPACT 2037, with the core goal of improving the environmental resilience of the supply chain.

The training course specifically interpreted the environmental requirements in the Responsible Business Alliance (RBA) code, especially case studies on key provisions such as ecological protection, efficient use of resources and pollution prevention. The content covered 25 core issues including biodiversity risk assessment, sustainable supply chain management and environmental compliance, aiming to systematically enhance the cognitive and practical capabilities of suppliers in environmental management system, energy and resource management and circular economy practice.

Supplier ESG training included

25core issues

02 | Risk and Impact Management

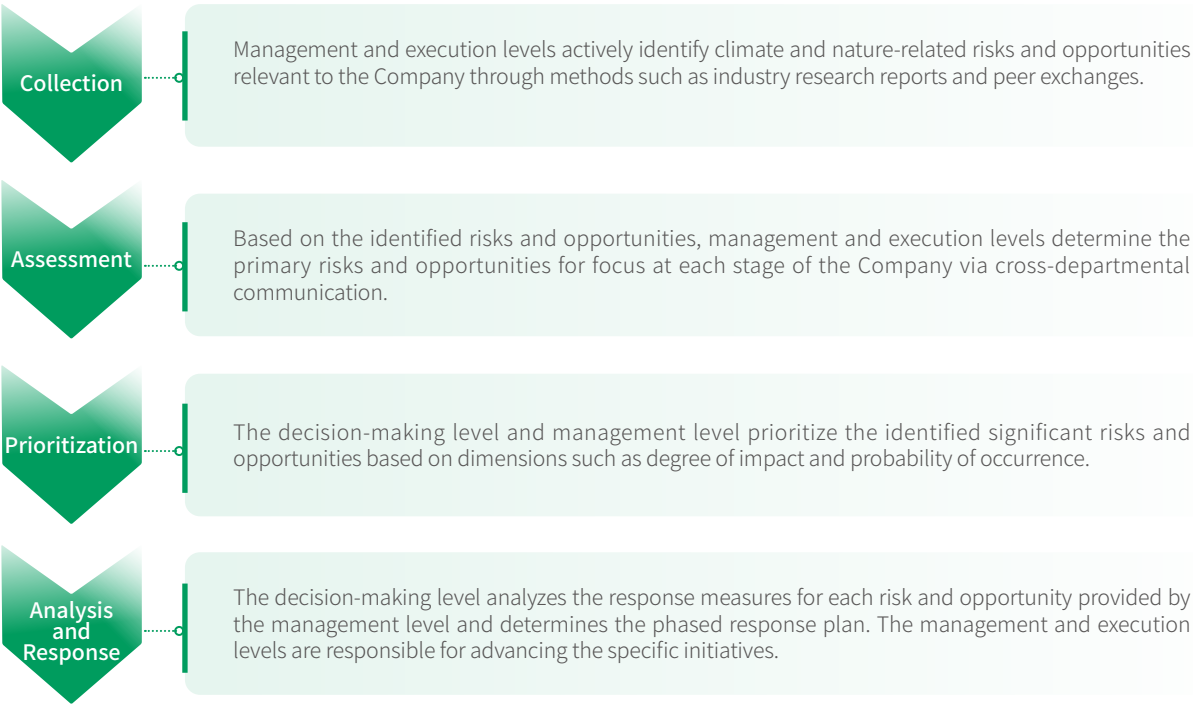
Hithium integrates the management of climate and nature-related risks and impacts deeply into its existing sustainable development and risk management framework. Leveraging our end-to-end business processes from R&D and manufacturing to delivery, we systematically identify, assess, and prioritize various climate and nature-related dependencies, impacts, risks, and opportunities. By establishing scientific assessment procedures and management systems, we incorporate climate and nature-related considerations into decision-making, committed to achieving harmonious coexistence with nature through our business development.



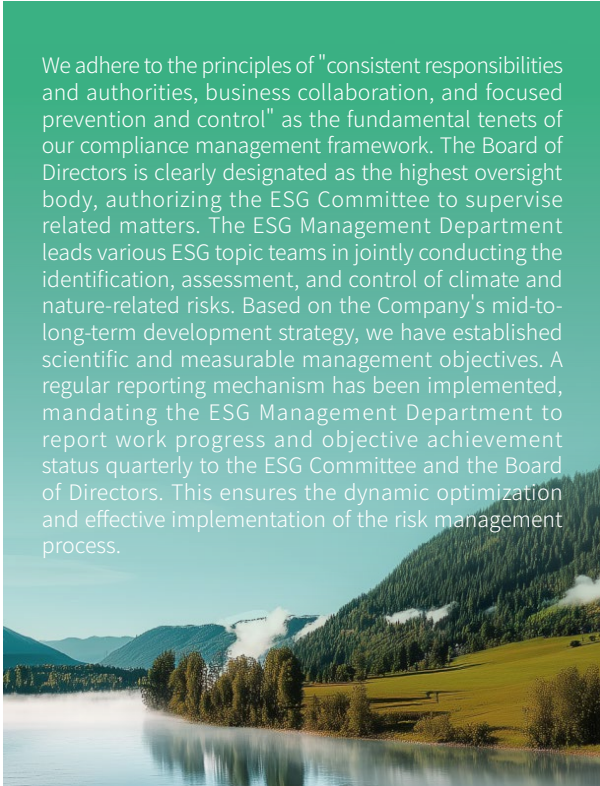
Climate and Nature Risk and Impact Management Process

To address environmental challenges systematically, Hithium has fully integrated the identification and management of climate and nature-related risks into the corporate-level risk management and compliance system. This ensures climate and nature-related issues receive strategic attention equivalent to financial and operational risks.

Through revisions to the Company's risk management policies, we have explicitly classified climate-related risks and opportunities (refer to Section 2.3 of the *2024 Hithium ESG Report*), such as rising investment costs, increased demand for low-carbon emission products and services, and nature-related risks, such as supply and operational disruptions caused by natural disasters, or fines/suspension of operations potentially resulting from exceeding wastewater and air pollutant emission standards, and biodiversity risks, as a distinct major risk category. This category is deeply embedded into the entire management cycle, from risk identification and assessment to response and monitoring. In practice, the ESG Management Department, in collaboration with relevant functional units, conducts regular specialized assessments of nature-related risks. The results are directly incorporated into the Company's overall risk profile and serve as a critical basis for developing risk response plans and allocating resources.



Climate and Nature Risk and Impact Management Process



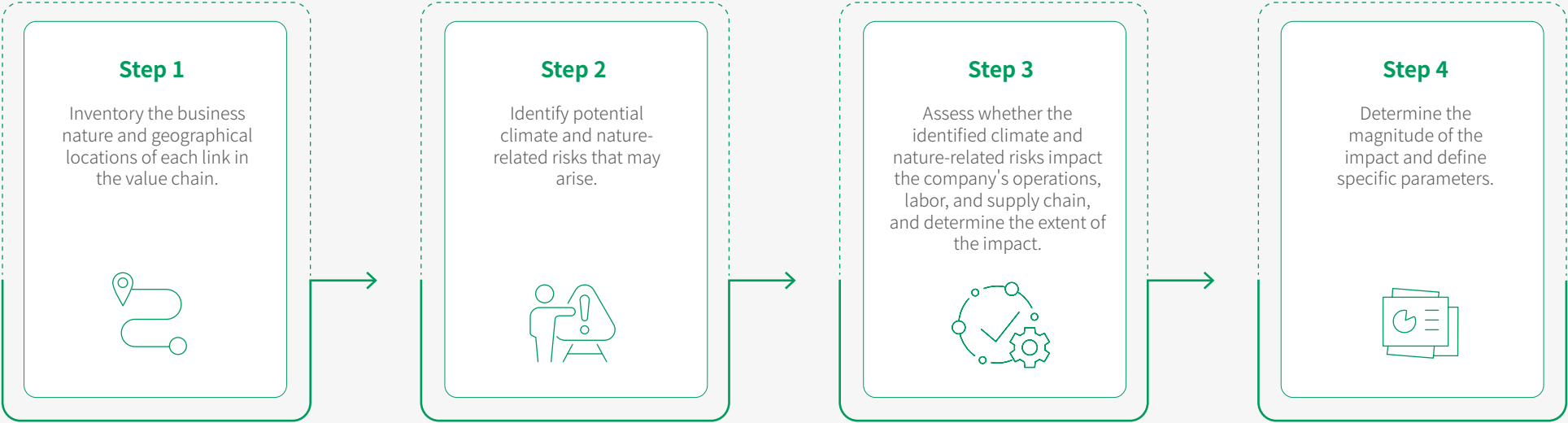
We adhere to the principles of "consistent responsibilities and authorities, business collaboration, and focused prevention and control" as the fundamental tenets of our compliance management framework. The Board of Directors is clearly designated as the highest oversight body, authorizing the ESG Committee to supervise related matters. The ESG Management Department leads various ESG topic teams in jointly conducting the identification, assessment, and control of climate and nature-related risks. Based on the Company's mid-to-long-term development strategy, we have established scientific and measurable management objectives. A regular reporting mechanism has been implemented, mandating the ESG Management Department to report work progress and objective achievement status quarterly to the ESG Committee and the Board of Directors. This ensures the dynamic optimization and effective implementation of the risk management process.

Climate Risks and Opportunities

Hithium's business operations and value chain both benefit from and impact natural ecosystems, with climate change acting as a key driver that amplifies nature-related risks and influences associated opportunities. We are consistently committed to enhancing our capability to identify and manage climate-related risks and opportunities. This is achieved by constructing a systematic assessment framework, integrating climate and nature-related factors into strategic decision-making processes, and actively advancing the R&D of clean energy technologies alongside the development of a green supply chain. Our strategic goals include enhancing operational resilience, optimizing resource utilization efficiency, and pioneering new pathways for sustainable development within the context of the global energy transition.

Climate Risk Identification Process

Referring to frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the *International Financial Reporting Sustainability Disclosure Standard No.2 — Climate-related Disclosures* (IFRS S2), we have comprehensively identified the climate risks and opportunities relevant to our business and developed a comprehensive climate risk list.



Climate Risk Identification Process

Climate Risks and Opportunities Inventory



Low



Medium



High

Short

Medium

Long

		Potential Impact				
Risk/Opportunity Type	Specific Description	Specific Impact	Level	Impact Timeline	Value Chain Link	Financial Impact
Physical Risks	Acute Physical Risks	Asset damage and production shutdown: Typhoons could damage plant structures (e.g., roof being blown off, equipment flooding), power system failures; floods could submerge warehouses, causing raw material and finished product spoilage; wildfires may damage plant infrastructure and cause environmental harm. Short-term repair costs are high (e.g., equipment replacement, plant repairs), and production stoppages may delay order delivery, triggering contract breach compensation.			Operations	Increased Costs, Asset Impairment
		Employee safety and operational continuity disruption: Extreme weather may disrupt employee commuting or require work stoppage for safety, directly impacting production line efficiency; heatwaves may cause heatstroke, increasing medical expenses and labor shortage risks.			Operations	Increased Costs
		Increased supply chain vulnerability: Regional disasters may disrupt local supplier production (e.g., battery component shortages) or paralyze logistics networks (e.g., port closures, road damage), forcing companies to switch to high-priced alternative suppliers, driving up procurement costs.			Outward Logistics	Increased Costs
	Chronic Physical Risks	Decline in product performance and market competitiveness: High temperature and humidity environments increase product usage intensity, raising power loads, potentially increasing after-sales repair frequency and costs. If product designs are not optimized for climate adaptability (e.g., insufficient heat dissipation), products may lose competitiveness in emerging markets (e.g., Southeast Asia, Middle East).			Sales and Operations	Reduced Revenues
		Rising operating costs: Continuous high temperatures require increased cooling facilities for plants (e.g., industrial air conditioning, cooling towers), raising energy consumption costs; heat allowances, flexible work arrangements, and other human resource management measures increase labor costs. Factories in coastal areas, especially those in low-lying areas, are more vulnerable to flooding, causing damage to plant buildings and production equipment, resulting in higher repair costs.			Operations	Increased Costs



Low



Medium



High



Short



Medium



Long

Potential Impact

Risk/Opportunity Type	Specific Description	Specific Impact	Level	Impact Timeline	Value Chain Link	Financial Impact
Transitional Risks	Policy Risks	Increased export difficulty: If the energy storage product's lifecycle carbon intensity exceeds the threshold set by the importing country (e.g., EU <i>battery regulations</i>), it raises the entry barriers.	High	Short	Sales and Operations	Reduced Revenues
		Carbon tariffs in international trade (e.g., EU's <i>new battery regulation</i> , US <i>Inflation Reduction Act</i>) and restrictive measures on high-carbon footprint products.	Medium	Medium	Operations	Increased Costs
		Mandatory requirements for corporate compliance disclosures and transparency of supply chain carbon emissions under HKEX ESG disclosure rules.	Low	Short	Operations	Increased Costs
	Technology Risks	Strengthened carbon management standards for the entire lifecycle of energy storage systems in various countries (e.g., China's <i>New Energy Storage Project Management Standards</i> requirements for LCA).	Medium	Medium	Operations	Increased Costs
		Loss of market competitiveness: Existing technological assets quickly depreciate; customers shift to competitors using new technologies; long-term involvement in price wars with low-end capacity leads to continuously declining profit margins.	Medium	Medium	Operations	Reduced Revenues Increased Costs
		Increased costs: The surge in demand for new low-carbon transformation technologies significantly increases investment costs.	Medium	Medium	Operations	Reduced Revenues Increased Costs
	Market Risks	Product impairment risk: A decline in product selling prices without a corresponding reduction in fixed costs erodes the profit margin per unit product.	Medium	Medium	Sales and Operations	Reduced Revenues
		Deteriorating price competition: Price competition from second-tier manufacturers may lead to a drop in industry average prices, compressing product gross margins.	Medium	Medium	Sales and Operations	Reduced Revenues Increased Costs
	Reputational Risk	The lag in the actual progress of emission reduction will trigger a chain reaction such as the downgrade of ESG ratings and the failure of customers' green supply chain audits. Should actual emission reduction progress fall behind schedule, it may trigger chain reactions such as downgrades in ESG ratings and failures in customer green supply chain audits.	Medium	Medium	Operations	Reduced Revenues Increased Costs
		Reputation damage: If an ESG rating is downgraded by an agency, it will directly increase financing costs, impact brand value, potentially shake investor and customer confidence, and negatively affect the Company's long-term value.	Medium	Medium	Operations	Reduced Revenues Increased Costs



Potential Impact						
Risk/Opportunity Type	Specific Description	Specific Impact	Level	Impact Timeline	Value Chain Link	Financial Impact
Transition Opportunities	Policy and Legal Opportunities	Policies at the international and national levels create favorable conditions for Hithium's technology commercialization, cost optimization, and market expansion from four dimensions: market demand guidance, technological R&D support, production capacity expansion promotion, and global collaboration. The "dual carbon" goals and new energy storage policies drive market demand expansion: After China set the "dual carbon" goals, the National Energy Administration and local policies (e.g., <i>Shanghai's New Energy Storage Demonstration Plan</i>) explicitly support the development of new energy storage technologies, requiring an increase in the proportion of renewable energy generation and strengthening the role of energy storage in supporting grid stability. The National Development and Reform Commission (NDRC) <i>14th Five-Year Plan for New Energy Storage Development</i> proposes accelerating R&D and commercialization of sodium-ion batteries and other new technologies. Multiple local governments support the application of sodium-ion technology through funding subsidies and demonstration projects. Local government investment attraction and industry chain support: Local governments attract new energy companies through land incentives, simplified administrative approvals, and other measures. International policies expand globalisation opportunities: The European Union has increased the share of renewable energy in its overall energy mix through the issuance of the <i>EU Renewable Energy Directive</i>.	High	Short, Medium, Long	Operations	Increased Revenues Increased Assets
	Increased demand for low-carbon emission products and services.	As the demand for low-carbon products increases and the share of renewable energy generation rises, the need for flexibility in power systems becomes more prominent. Our products are used to store renewable energy, solving intermittency and fluctuation issues in power generation. As the scale of new energy installations expands, the market space for our products continues to grow.	Medium	Short, Medium, Long	Sales and Operations	Increased Revenues
	Product and Service Opportunities	Protection of Intellectual Property	Medium	Short, Medium, Long	R&D / Production / Marketing	Increased Revenues Increased Assets
	Industrial Collaboration and Low-Carbon Investment	By deepening industrial collaboration in the low-carbon technology sector, companies can effectively integrate superior resources, amortize R&D and production costs, thereby significantly optimizing operational efficiency, and ultimately translating these gains into a substantial improvement in profitability.	Low	Short, Medium, Long	Marketing / Sales / R&D Innovation	Increased Revenues
	R&D Innovation	Companies can leverage technological innovation and market expansion to enter emerging fields and establish significant competitive advantages.	Medium	Short, Medium, Long	R&D Innovation	Increased Revenues

Climate Scenario Analysis

Climate Scenario Selection

As a global leader in new energy technology, Hithium deeply recognizes that achieving carbon neutrality is not merely a technological improvement, but a systemic transformation concerning raw material structures, energy systems, production processes, and product applications. Facing this profound transition, relying solely on the Company's own technological breakthroughs is far from sufficient. It is essential to build a carbon-neutral ecosystem covering the entire upstream and downstream value chain, and collaboratively address global climate challenges through synergistic innovation.

Hithium adopts a scenario analysis approach to quantitatively assess the potential impacts of climate-related risks and opportunities on business performance under different scenarios. Based on the climate scenario framework of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), we use three Representative Concentration Pathways (RCP 2.6, RCP 4.5, and RCP 8.5) to analyze the impacts of physical risks, such as extreme and chronic climate events, on business operations and financial performance. At the same time, using the NGFS stress test model, we analyze the financial risk transmission effects of carbon pricing system differences under four policy pathways (including the Net Zero 2050 scenario and Below 2-degree Scenario) between 2024 and 2050, assessing the Company's adaptation to climate transition risks. Regarding transition opportunities, we analyze the Net Zero 2050 scenario and the Stated Policies scenario to systematically assess the structural opportunities for the energy storage business within the energy transition.

Risk/Opportunity Type		Scenario Type	Scenario Description
Physical Risk		RCP 2.6	Low greenhouse gas emission scenario. By 2100, global average temperature rises less than 2°C compared to pre-industrial levels.
		RCP 4.5	Medium greenhouse gas emission scenario. By 2100, global average temperature rises about 2.4°C compared to pre-industrial levels.
		RCP 8.5	High greenhouse gas emission scenario. By 2100, global average temperature rises about 4.3°C compared to pre-industrial levels.
Transition Risks		2050 Net-zero emission scenario	Through strict climate policies and innovations, the global average temperature rise is controlled within 1.5°C compared to pre-industrial levels.
		2-degree Scenario	Gradually increase the stringency of climate policies, providing a 67% chance of limiting global warming to below 2°C.
		Reference Scenario	Assumes that only the current policies are retained, leading to high physical risks.
Transition Opportunities		Delayed Transition Scenario	This is an unordered scenario where global annual emissions will not decrease until 2030. At that point, strong policies will be required to limit the temperature rise to below 2°C.
		2050 Net-zero Emission Scenario	Through strict climate policies and innovations, the global average temperature rise is controlled within 1.5°C compared to pre-industrial levels.
		Established Policy Scenario	Traditional technological pathways still dominate, with steady growth in energy storage demand. The market focuses more on cost optimization rather than technological innovation, and the industry's competitive landscape remains relatively stable.

Physical Risk Assessment

We use the NGFS climate risk assessment model, combined with data from the climate change intensification effect module, historical disasters module, asset exposure module, and vulnerability analysis module, to analyze the potential annual asset loss relative values that Hithium's Xiamen base, Chongqing base, and Shenzhen Research Institute might face due to multiple disasters such as flooding, typhoons, high temperatures, sea level rise, earthquakes, and wildfires under different scenarios (based on a 2015 baseline year and a forecast year of 2060).

In the multi-disaster analysis, flood risk faces more intense changes over a longer time series. Geographically, the Shenzhen base is at greater risk due to its location and climatic conditions. For example, Shenzhen is located along the coast, has low-lying terrain, and is affected by monsoon climates, with frequent short-duration heavy rainfall, leading to high flood risks. Typhoons may cause floods and sea level rise, further exacerbating disaster losses. Therefore, the Shenzhen base must pay special attention to the potential risks of multiple disasters and take appropriate targeted measures to reduce asset risk exposure.

Main Factories and Operations Locations	Flooding			Typhoon			High Temperature			Sea Level Rise			Forest Fires		
Indicator Notes	Estimated Annual Loss Due to Flooding (%)			Estimated Annual Loss Due to Typhoons (%)			Frequency of Heatwave Strikes (%)			Predicted Sea Level Changes for Coastal Provinces (Autonomous Regions, Municipalities) of China (meters)			Percentage of Land Affected by Wildfire Annually (%)		
Scenario Type	RCP 2.6	RCP 4.5	RCP 8.5	RCP 2.6	RCP 4.5	RCP 8.5	RCP 2.6	RCP 4.5	RCP 8.5	RCP 2.6	RCP 4.5	RCP 8.5	RCP 2.6	RCP 4.5	RCP 8.5
Chongqing Factory															
Xiamen Factory															
Shenzhen Research Institute															

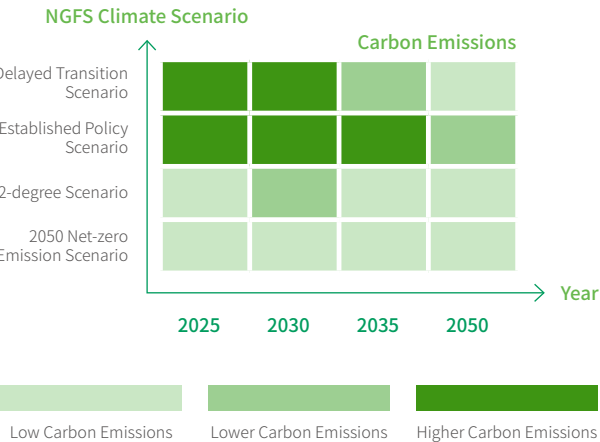


Transition Risk Assessment

To quantify the long-term financial impact the Company faces in the context of climate change, we focus on the financial risks arising from the shift towards a low-carbon economy in policy, technology, and markets. By constructing a forward-looking analytical model, we comprehensively calculate the Company's future carbon emission trajectory, corresponding abatement costs, and potential financial risks. The aim is to materialize transition risks into financial parameters, providing data support for the Company's strategic resilience and capital management.

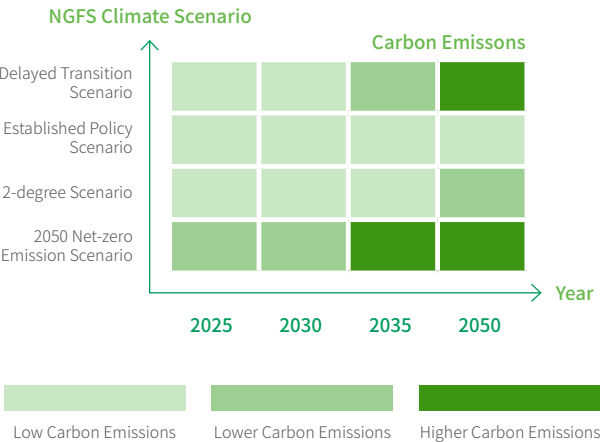
Carbon Emission Forecast

Considering factors such as the expansion of energy storage equipment production scale, optimization of the energy structure, electrification of production processes, and improvements in operational efficiency, Hithium's carbon emissions demonstrate a continuous downward trend across the four NGFS scenarios. Under orderly transition pathways, as the stringency of policy constraints weakens (Net Zero 2050 scenario > Below 2°C scenario > Stated Policies scenario > Delayed Transition scenario), the Company's carbon reduction efforts intensify accordingly, with the most significant emission reduction effect observed under the Net Zero 2050 scenario. Under a disorderly transition pathway, carbon reduction requirements will become more urgent after 2030, driving an accelerated emission reduction process for the Company.



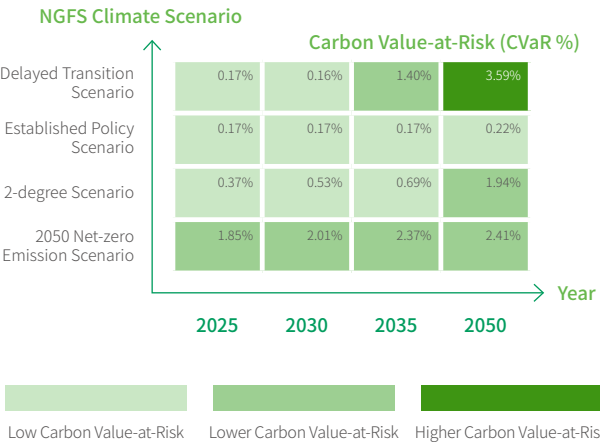
Carbon Emission Reduction Cost Forecast

Systematic analysis of the economic investment required to achieve emission reduction targets reveals significant differences in carbon abatement costs across climate policy scenarios. Under orderly transition pathways, the Net Zero 2050 scenario imposes the most stringent decarbonization requirements, consequently subjecting the Company to elevated carbon costs and operational pressures. In contrast, within disorderly transition pathways, abatement costs under the Delayed Transition scenario are projected to increase substantially post-2030, primarily attributable to concentrated decarbonization pressures and a sharp rise in carbon price levels.



Carbon Value-at-Risk (CVaR) Forecast

As climate policies become more stringent, the carbon cost risk faced by enterprises increases significantly. Under orderly transition pathways, the Carbon Value-at-Risk (CVaR) in the Net Zero 2050 scenario is projected to be 2.41%. Although this is higher than other scenarios, the overall risk remains within a controllable range. Under disorderly transition pathways, influenced by delayed action, the Carbon Value at Risk is expected to rise significantly after 2030, increasing rapidly from 0.16% to 3.59% by 2050. Despite this rapid growth rate, the risk level remains manageable. Even under the most stringent climate policy environment, the Company demonstrates strong financial resilience and risk resistance potential, indicating its capacity to adapt to high-intensity policy constraints.



Transition Opportunities

In the context of the global energy system's accelerated transformation, Hithium, based on the NGFS climate scenario framework, uses the 2050 net-zero emission scenario and the reference scenario to conduct an analysis and systematically assess the structural opportunities for the power storage business in the energy transition.

Under the 2050 net-zero emission scenario:

With the global electrification rate rapidly increasing to 70% and the share of wind and solar power generation exceeding 60%, the demand for flexibility resources from the grid shows an exponential rise. It is expected that the global energy storage installation capacity will exceed 2,500 GWh, with innovative technologies such as long-duration storage and flow batteries gaining significant market premiums due to their performance advantages.

In this context, Hithium's energy storage business is projected to achieve a compound annual growth rate (CAGR) exceeding 10%.

A virtuous cycle of policy-driven initiatives and technological innovation has significantly accelerated the commercialization of new energy storage solutions. In contrast, the development of the energy storage market under the Reference Scenario remains relatively moderate. Affected by the delayed pace of the energy transition, the electrification rate increases to only about 30%, the growth in energy storage demand is steady, and conventional technology pathways continue to dominate. Market competition in this scenario focuses more on cost optimization, and the industry landscape remains relatively stable.

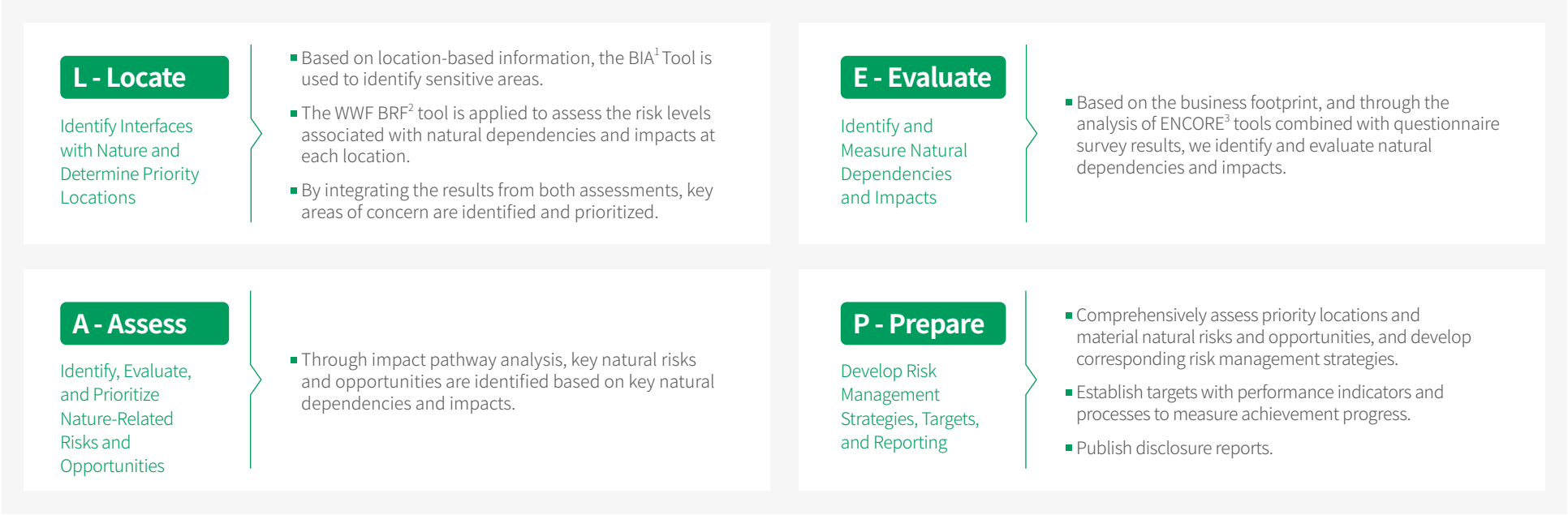
In this context, business growth relies more on economies of scale and cost control, resulting in relatively limited overall profitability. The structural differences described indicate that under deep decarbonization pathways, the power energy storage industry is transitioning from "capacity expansion" to "technology-driven" development. This provides critical decision-making basis for companies in selecting technology roadmaps and planning production capacity.

Financial Indicators	Scenario	2025	2030	2035	2040	2045	2050
Operating Revenue	2050 Net-zero Scenario						
	Established Policy Scenario						
Total Assets	2050 Net-zero Emission Scenario						
	Established Policy Scenario						



Identification and Assessment of Nature-related Dependencies, Impacts, Risks, and Opportunities

To systematically address nature-related risks and seize sustainable development opportunities, Hithium has adopted the LEAP (Locate, Evaluate, Assess, Prepare) methodology under the TNFD framework to establish a comprehensive natural-issue management system covering the entire value chain. This system spans the entire business chain from raw material procurement to project deployment, aiming to scientifically identify, systematically evaluate, and prioritize the Company's key dependencies on natural ecosystems and its potential impacts thereon—across both its own operations and supply chain. It precisely captures the resulting risks and opportunities, laying a scientific foundation for enhancing the Company's environmental resilience and long-term value creation capabilities.



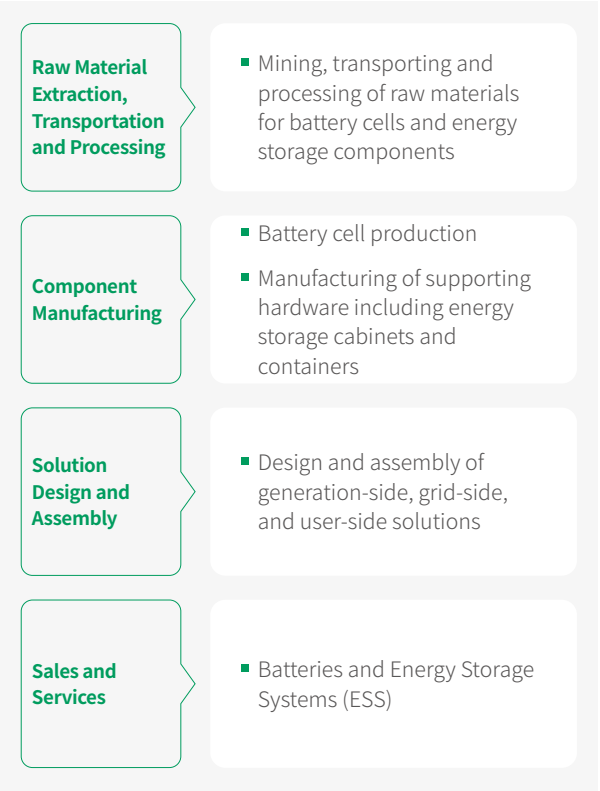
LEAP Analysis Procedure

¹ BIA: Biodiversity Impact Assessment Tool, developed by the Shanshui Conservation Center and the Peking University Center for Nature Conservation and Social Development, it integrates multiple authoritative biodiversity databases, including the Naturalist Biodiversity Database, IUCN Species Distribution Database, KBA Database, and the WDPA Database (commercial use via IBAT).

² WWF BRF: World Wildlife Fund Biodiversity Risk Filter.

³ ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure, an online tool for identifying nature-related dependencies and impacts, jointly maintained and continuously enhanced by Global Canopy, the UN Environment Programme Finance Initiative (UNEP FI), and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

Based on the *International Standard Industrial Classification of All Economic Activities* (ISIC), we have mapped the industries involved in our own operations and throughout the upstream and downstream value chain, clarifying the business footprint closely associated with Hithium, so as to identify potential natural dependencies and impacts.



Hithium's Full Value Chain Business Footprint for Core Operations

To ensure the relevance and practicality of the analysis results and management measures for nature-related issues, the Company has focused the LEAP analysis on Hithium's own operational sites, key upstream suppliers, and downstream benchmark customers, covering a total of 19 different locations.

Own Operations

2 manufacturing plants and **1** R&D center that have achieved mass production of Hithium by the end of 2025.

Key Upstream Suppliers⁴

Based on key procurement categories of core materials and annual procurement amount indicators for 2024, **14** core suppliers were selected, covering three key areas: system development, equipment manufacturing, and battery materials (including polymers, metals, non-metals, and chemicals).

Downstream Benchmark Customers

Based on project installed capacity and operational duration, **2** downstream benchmark projects were selected.

⁴This analysis is limited to Hithium's Tier 1 suppliers.

Locating Interfaces with Nature

To systematically assess the interaction between business activities and natural ecosystems, Hithium conducted a biodiversity impact analysis of all its operational manufacturing bases, R&D centers, and key upstream suppliers in China. Based on geographic coordinates, we first identified the integrity and diversity characteristics of the ecosystems surrounding each location, clarified their spatial relationships with environmentally sensitive areas and distribution zones of endangered species, thereby pinpointing business interfaces with high ecological sensitivity.

On this basis, we further applied the WWF Biodiversity Risk Assessment Framework, combining geographic locations and industry attributes, to evaluate the biodiversity risk levels of our own operational sites and supply chain nodes. By integrating WWF BRF assessment results with actual corporate management practices, we ultimately identified priority locations for biodiversity risk management, providing a scientific basis for developing differentiated control strategies.

Areas meeting one or more of the following criteria are defined as sensitive locations:

- Areas important for biodiversity
- Areas with high ecosystem integrity
- Areas experiencing rapid decline in ecosystem integrity
- Areas with high physical water risk
- Areas critical for the provision of ecosystem services, including benefits to Indigenous Peoples, local communities, and stakeholders

Sensitive Location Indicators

We adopted the following approach for biodiversity analysis in sensitive locations:



Analysis Metrics



Biodiversity Indicators

- Number of locations: 19
- Analytical tools: BIA, WWF BRF
- Analysis scope: Circular buffer area with 10 km radius centered on each location

Endangered Species Distribution Areas

- Distribution Areas of Critically Endangered (CR), Endangered (EN), and Vulnerable (VU) Species on the IUCN *Red List of Threatened Species*
- Distribution areas of CR, EN, and VU species listed in *China's Biodiversity Red List (RCB), Vertebrates Volume*
- Distribution areas of National Grade I and II protected wild animals under *China's Wildlife Protection Law*

Protected Area Distribution

- National Parks, Nature Reserves, World Natural Heritage Sites, Natural Parks, Wetlands of International Importance under the *Ramsar Convention*, Key Biodiversity Areas (KBAs), and World Database on Protected Areas (WDPA).

We conducted BIA analysis covering 19 locations across upstream, own operations, and downstream areas. Within a 10 km radius, no affected protected species were detected at 4 locations. Based on the IUCN Red List assessment of protected species, we identified one Critically Endangered animal species within 10 km of 6 locations, Endangered animals at 3 locations, and Vulnerable animals at 6 locations. According to the RCB list, Critically Endangered animals were identified at 2 locations, Endangered animals at 5 locations, and Vulnerable animals at 4 locations. Among all analyzed locations, 3 were found to have five or more affected protected areas in their 10 km vicinity.

Section	Number of Locations with Affected Surrounding Species									Number of Locations with Affected Surrounding Protected Areas
	Based on IUCN Endangered Categories			Based on RCB Endangered Categories			Based on the <i>Wildlife Conservation Law of the People's Republic of China</i>			
	CR	EN	VU	CR	EN	VU	Class I	Class II	Three-Protected	
Upstream	5	3	6	2	4	3	5	11	12	12
Own Operations	0	0	0	0	0	1	0	2	2	3
Downstream	1	0	0	0	1	0	1	1	1	2

Analysis based on the IUCN Red List and RCB protected species shows that Critically Endangered, Endangered, and Vulnerable protected species found within key areas of Hithium's operations and value chain (10-km radius) are primarily birds and mammals.

	CR	EN	VU
Own Operations	None	None	Black Eagle
Key Upstream Suppliers	■ Pangolin ■ Yellow-breasted Bunting ■ Siberian Crane ■ Baer's Pochard	■ Black-faced Spoonbill ■ Oriental Stork ■ Far Eastern Curlew	■ Common Pochard ■ Collared Crow ■ Japanese Yellow Bunting ■ Chinese Egret ■ Lesser Whistling Duck ■ Red-necked Stint ■ Slaty-legged Crake ■ Common Hill Myna ■ Rustic Bunting ■ Swan Goose ■ Brown-chested Jungle Flycatcher ■ Black Eagle ■ Bonelli's Eagle

Manis pentadactyla

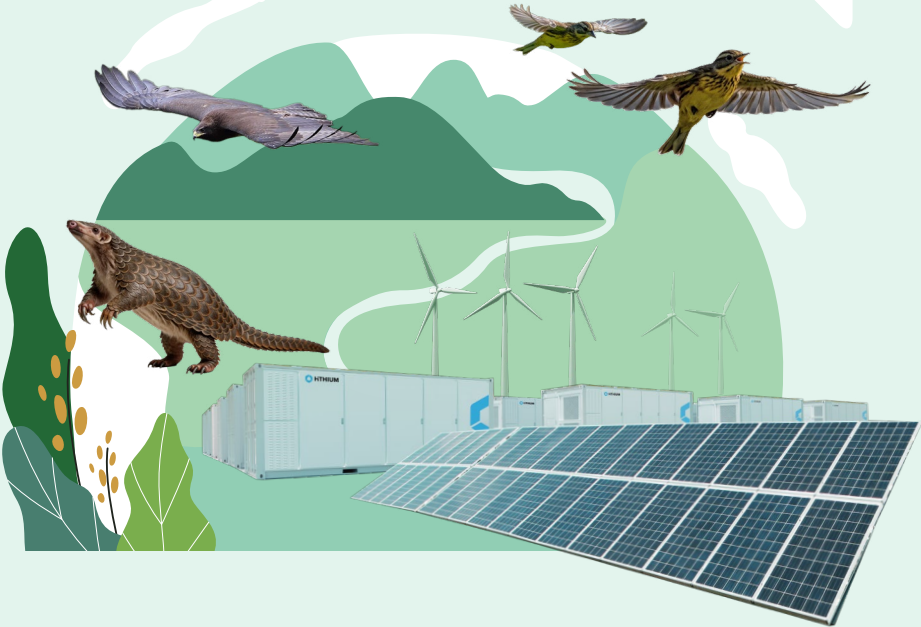
Within a 10-km radius of certain supplier operational sites, manis pentadactyla has been identified. Manis pentadactyla is the world's only extant scaled mammals, with all eight species listed on the IUCN Red List as either "Critically Endangered" (CR) or "Endangered" (EN). Manis pentadactyla is distributed in southern China including Fujian, Guangdong, Guangxi, Yunnan, and Guizhou, inhabiting mountainous forests, shrublands, or forest-shrub environments. Various broadleaf forests, coniferous-broadleaf mixed forests, bamboo thickets, and grassy shrublands are preferred habitats for manis pentadactyla, whose unique ecological niche involves specialized feeding on ants and termites, enabling effective pest control and forest health maintenance.

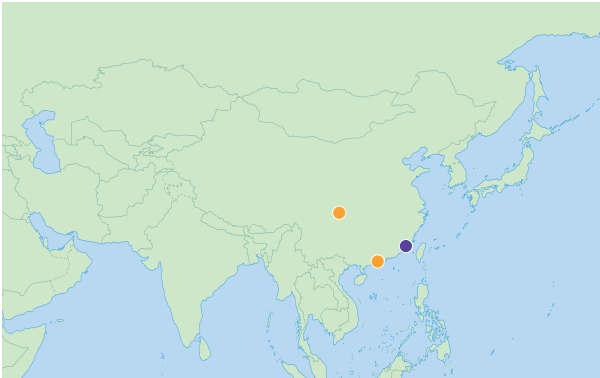
Ictinaetus malayensis

Ictinaetus malayensis has been observed within a 10-km radius of the Xiamen headquarters. Ictinaetus malayensis is one of the large extant raptors in tropical and subtropical Asia and is currently listed as "Vulnerable" (VU) on the IUCN Red List. It is primarily distributed in southern China, including Yunnan, Guangxi, Hainan, and Fujian, and inhabits montane evergreen broadleaf forests, coniferous and broadleaf mixed forests, or dense secondary forests. As an apex predator, the Black Eagle primarily feeds on small to medium-sized mammals, birds, and reptiles, playing a crucial role in maintaining the balance of the forest ecosystem's food chain and controlling populations of rodents.

Emberiza aureola

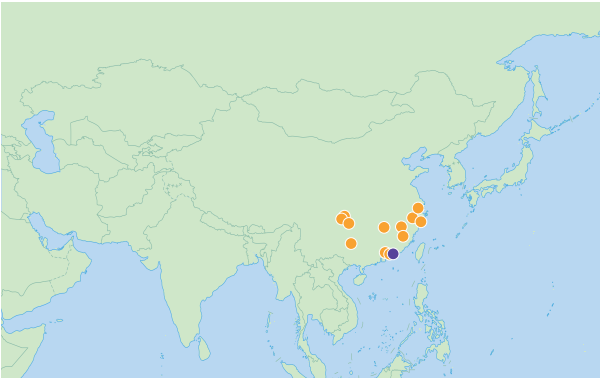
The Emberiza aureola has been observed within a 10-km radius of certain supplier operational sites. Emberiza aureola belongs to the family Emberizidae of the order Passeriformes, measuring approximately 14-15 cm in length. During the breeding season, the male displays a distinctive appearance with a black head and bright yellow breast plumage. This species is listed as Critically Endangered (CR) on the IUCN Red List. Emberiza aureola is widely distributed across Europe, Russia, and northern China, migrates through most regions of China during seasonal movements, and winters in southern China and Southeast Asia. It is commonly found in habitats such as rice fields, wheat fields, wetlands, and open woodlands.





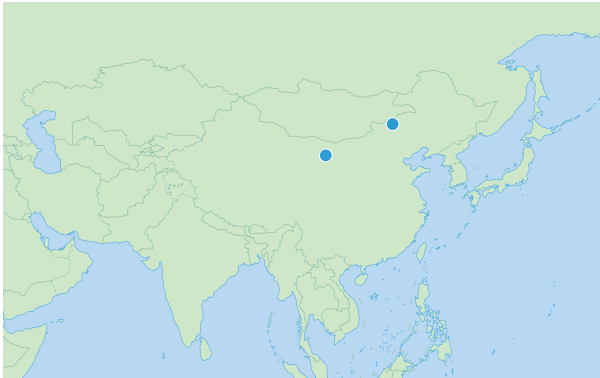
Very Low Risk Low Risk Medium Risk High Risk

Own Operational Locations Distribution Map (Overall Natural Risk)



Very Low Risk Low Risk Medium Risk High Risk

Supplier Locations Distribution Map (Overall Natural Risk)

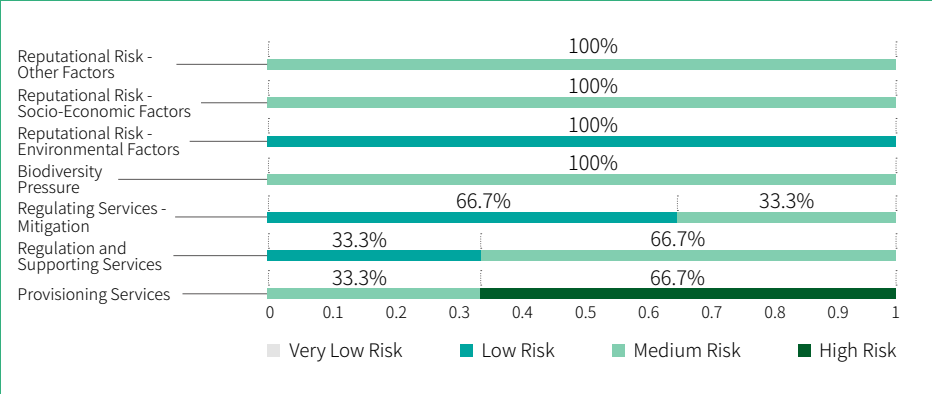


Very Low Risk Low Risk Medium Risk High Risk

Benchmark Project Locations Distribution Map (Overall Natural Risk)

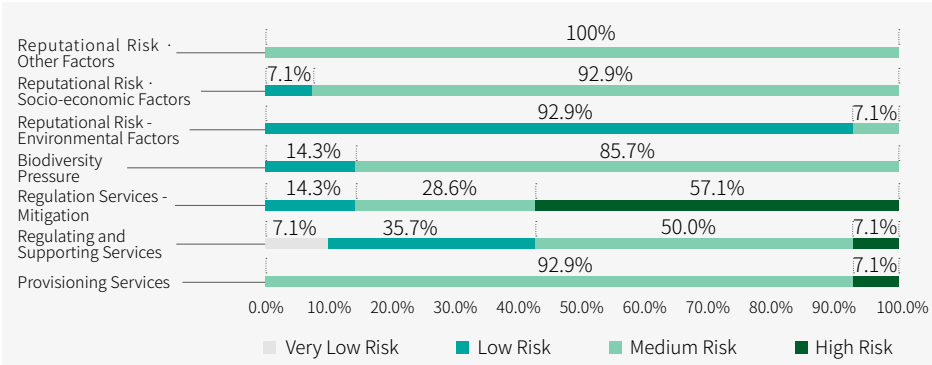
The Company conducted an analysis employing the WWF BRF methodology, with the results as follows:

None of the Company's three own operational locations face extremely high risks under all biodiversity risks identified by the WWF BRF. Among them, two locations face high risks in ecosystem provisioning services (including food, fresh water and energy), two locations face medium risks in ecosystem regulating and supporting services (including water and air quality), one location faces high risks in ecosystem regulating services – mitigation (including landslides, wildfire hazards, and extreme heat), and three locations face medium risks in medium biodiversity pressure (including invasive species and land use change), reputational risk - socio-economic factors (including cultural heritage preservation and community conflicts), and reputational risk - other factors (such as political dynamics and international attention).



WWF Biodiversity Risk Filter Analysis Results for Own Operational Locations

None of the 14 locations corresponding to the Company's upstream suppliers face extremely high risks under all biodiversity risks identified by the WWF Biodiversity Risk Filter. Among them, one location faces high risk in ecosystem provisioning services, one location faces high risk in ecosystem regulating and supporting services, eight locations face high risk in ecosystem regulation services - mitigation, and twelve locations face medium biodiversity pressure.



WWF Biodiversity Risk Filter Analysis Results for Supplier Locations

Hithium integrates the findings from both BIA and WWF BRF analyses to identify areas with ecological sensitivity and to assess regions with nature-related dependencies and risks, thereby screening for priority locations requiring focused attention in natural risk management. Based on the outcomes of the localization analysis, mitigation measures will be implemented for priority sites as well as other locations to ensure that the Company's activities do not adversely affect areas of significant biodiversity importance.

The identification of priority locations must simultaneously meet the following two criteria:

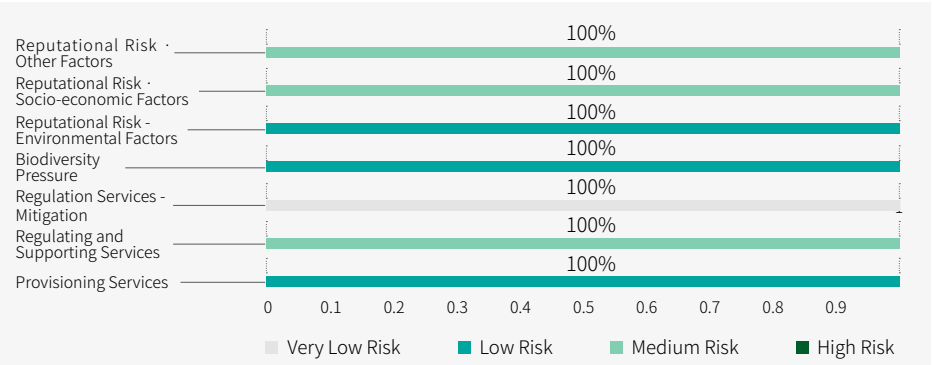
Locations with Relatively Significant Comprehensive BIA Impact

Locations where both the WWF BRF Overall Physical Risk Score⁵ and Biodiversity Pressure Risk Score⁶ are rated as at least Medium Risk

⁵The WWF BRF calculates this composite value by assessing geographical location and sector-specific characteristics, integrating factors including provisioning services, regulating and supporting services, regulatory services – mitigation, biodiversity pressure, and reputational risk. A higher score indicates greater risk.

⁶A risk metric in the WWF BRF framework for specific geographic locations. It specifically measures the intensity of negative pressure that corporate operations may exert on local species and ecosystems. This risk rating is assessed based on the biodiversity value and ecological fragility of the project site, where a higher rating signifies greater potential threats to the natural environment, potentially triggering elevated regulatory, operational, and reputational risks.

None of the two locations corresponding to the Company's downstream benchmark projects face high or extremely high risks under all biodiversity risks identified by the WWF BRF, both locations face medium risks in reputational risk–socio-economic factors, reputational risk - other factors and Provisioning Services, with other low or very low risks.



WWF Biodiversity Risk Filter Analysis Results for Downstream Benchmark Project Locations

Based on the BIA analysis, operational locations of four upstream suppliers were determined to have relatively significant comprehensive impact. According to the WWF BRF database, locations where both the Overall Physical Risk Level and Biodiversity Pressure Risk Level are rated as medium risk or higher include eleven upstream suppliers and three own operational bases.

The overlapping areas between the BIA comprehensive assessment results and the WWF BRF results constitute the significant ecological interaction locations:

Priority Locations	WWF BRF Overall Physical Risk Level	WWF BRF Biodiversity Pressure Risk Level	Number of IUCN CR Species within 10 km Radius	Number of RCB CR Species within 10 km Radius	Number of China National Grade I Protected Animal Species within 10 km Radius	Number of Protected Areas within 10 km Radius
Supplier1	Medium	Medium	1	0	1	10
Supplier2	Medium	Medium	1	0	4	4
Supplier3	Medium	Medium	1	1	2	1

Identifying and Assessing Nature-Related Dependencies and Impacts

We recognize that a Company's sustainable development both depends on nature and has an impact on it. To accurately evaluate Hithium Energy Storage's significant nature-related dependencies and impacts, we categorized the upstream and downstream value chain segments of each business unit according to the *International Standard Industrial Classification* (ISIC) and used the ENCORE tool to identify the dependencies and impacts of Hithium's value chain on ecosystem services and natural resources. By analyzing ten key upstream and downstream sectors, we identified a total of 9 potential natural impacts (disturbance, greenhouse gas emissions, etc) and 15 potential natural dependencies (water provision, global climate regulation, etc). The specific degree assessment of these natural dependencies and impacts is shown in the figure below:

Drivers of Natural Change		Upstream						Own Operations	Downstream		
		Battery Material Polymer Material	Battery Material Metals	Battery Material Chemicals	Battery Material Non-metallic Minerals	System Development	Equipment Manufacturing	Battery Production & Manufacturing	Solar Power Generation	Wind Power Generation	Power Transmission and Distribution
Impacts	Disturbance (e.g., Noise, Light Pollution)										
	Greenhouse Gas Emissions										
	Non-Greenhouse Gas Air Pollutant Emissions										
	Solid Waste Generation and Discharge										
	Land Use										
	Toxic Soil and Water Pollutant Discharge										
	Water Use										
	Freshwater Use Area										
	Nutrient Pollutant Discharge										

Six Degrees of Impact on and Dependence on Nature:

Not related

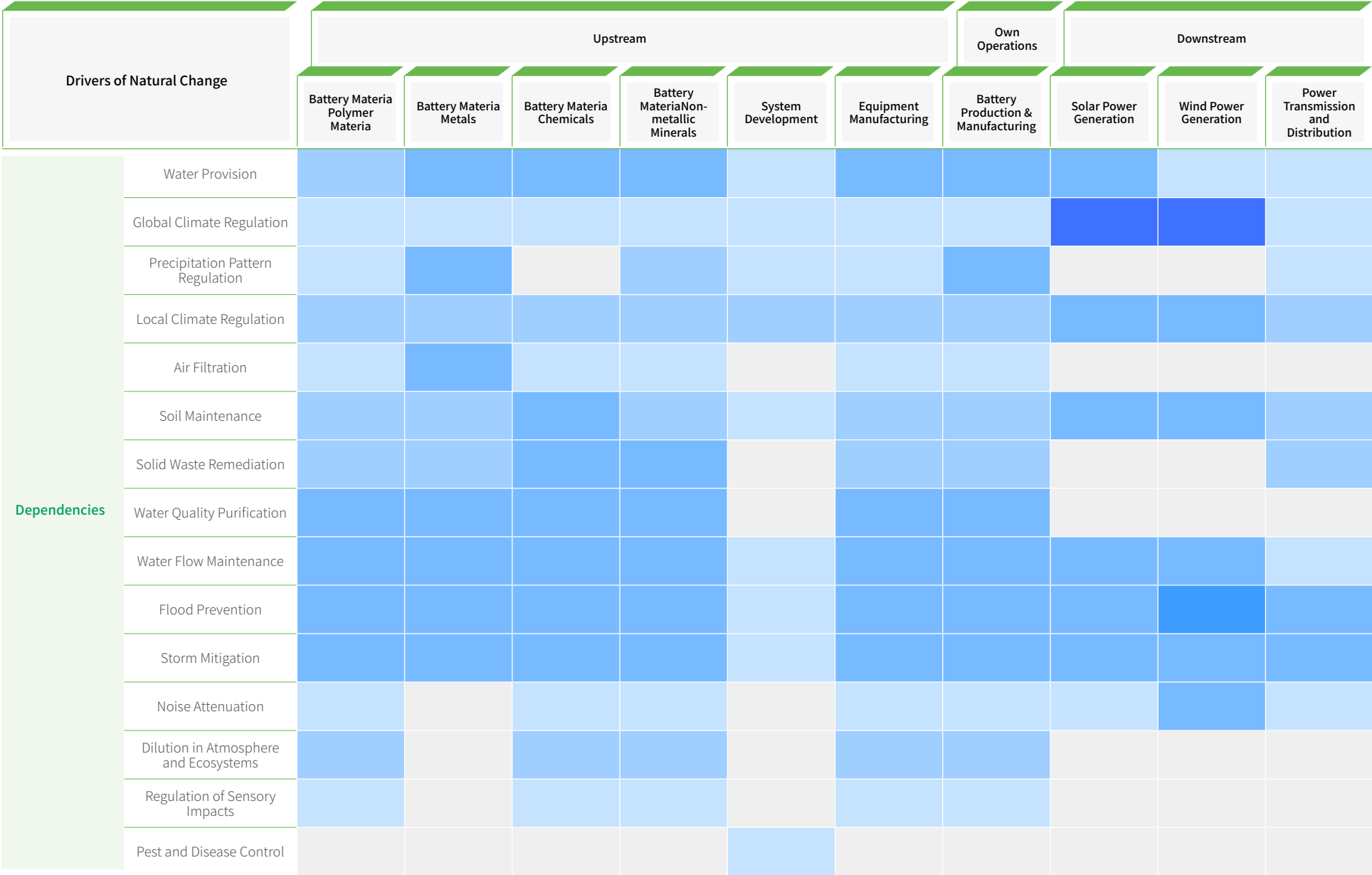
VL - Very Low

L - Low

M - Medium

H - High

VH - Very High



Six Degrees of Impact on and Dependence on Nature: Not related VL - Very Low L - Low M - Medium H - High VH - Very High

Heat Map of Hithium's Value Chain Nature-Related Dependencies and Impacts

Based on an in-depth analysis of our operations and supply chain, we have identified five instances each of "high" and "medium" priority nature-related dependencies and natural impacts, designating them as priority assessment subjects. Building on this, we systematically analyzed the pathways through which these dependencies and impacts operate, their potential business consequences, and corresponding financial implications. For the supply chain assessment, we established a dual-framework evaluating procurement expenditure share and ecological impact severity. This was integrated using a weighted scoring model for quantitative consolidation and comprehensive analysis, enabling the identification of critical links and supporting management decision-making.

Water supply services provide enterprises with clean and stable water resources to meet water quantity and quality requirements for manufacturing processes, as well as safe domestic water for employees. Ecosystems dilute, decompose or remove nutrients and other pollutants in water bodies, purifying and protecting surface water and groundwater. With the capacity to absorb, store and release water, ecosystems regulate river discharge, groundwater levels and lake water levels, maintain normal water flow, and mitigate the impacts of water-related extreme events such as droughts.

Vegetation along coastal margins and special natural formations (e.g., coral reefs, sandbars and mangrove ecosystems) buffer tidal surges and reduce the speed and intensity of storms. Riparian vegetation and natural riverbanks act as physical barriers to mitigate flood impacts.

Vegetation and linearly distributed natural features (e.g., rivers and mountain ranges) cushion direct storm impacts, reduce wind speed and sand intensity, and alleviate hazards caused by wind, sand and other storm-related disasters.

Natural Dependence Name	Impact Driver(s)	Interpretation	Own Operations	Supply Chain
Water Provision	Fresh Water Resource Use	Providing a clean and stable water supply for industrial production ensures that water demands for manufacturing processes are met, while also satisfying the health and safety requirements for employees' domestic water use.	Medium	Medium
Water Quality Purification	Pollution Removal	Ecosystems can remove nutrients and pollutants from water bodies through processes such as dilution, decomposition, or adsorption, thereby purifying and maintaining the quality of both surface water and groundwater.	Medium	Medium
Water Flow Maintenance	Resource Use, Land Use Change	By absorbing, storing, and regulating the water cycle, ecosystems help stabilize river flows and groundwater levels, maintain normal water movement, and mitigate the impacts of water-related extreme events such as droughts.	Medium	Medium
Flood Prevention	Climate Change	Natural structures such as coastal vegetation, coral reefs, and mangrove ecosystems can buffer the impact of tides and storms, while riparian vegetation and natural embankments form physical barriers that effectively reduce flood damage.	Medium	Medium
Storm Mitigation	Climate Change, Land Use Change	Vegetation and linear natural landscapes, such as rivers and mountain ranges, can weaken the direct impact of storms, lower wind speeds, suppress sand and dust movement, and thereby lessen the overall effects of storms.	Medium	Medium

Natural Impact Name	Impact Driver(s)	Interpretation	Own Operations	Supply Chain
Disturbance (e.g., Noise, Light Pollution)	Pollution	Non-natural changes to the surrounding natural environment caused by industrial production activities (such as mechanical noise, nighttime lighting, etc.). Such disturbances can harm the hearing and vision of wildlife, disrupt their survival rhythms, and even force them to migrate from their habitats or lead to death, thereby reducing biodiversity.	Medium	High
Non-Greenhouse Gas Air Pollutant Emissions	Pollution	Non-greenhouse gas air pollutants, including volatile organic compounds, nitrogen oxides, sulfur dioxide, carbon monoxide, and particulate matter. If industrial exhaust leaks or chemical reaction byproducts release large amounts of such pollutants, air quality will be significantly degraded, potentially leading to environmental incidents such as acid rain and the spread of toxic dust.	Low	Medium
Solid Waste Generation and Discharge	Pollution, Resource Use	Solid waste materials generated by enterprise production activities. If disposed of through landfill or open dumping, they not only occupy land resources but may also damage the surrounding ecological environment, leading to a reduction in the number of organisms.	Low	Medium
Toxic Soil and Water Pollutant Discharge	Pollution	Some chemicals used in the production processes of enterprises may contain harmful components such as heavy metals, microplastics, organic compounds, and acids. If leaked and entering the soil or water, they can lead to an increase in pollutant concentrations, directly endangering biological health and ecosystem functions.	High	High
Water Use	Fresh Water Resource Use	The total amount of groundwater and surface water used in enterprise production and operations. If production activities consume large amounts of water resources, regional water stress will be exacerbated, potentially leading to the depletion of aquifers and thereby affecting the water security of surrounding flora, fauna, and human communities.	Low	Medium

Assessing Nature-Related Risks and Opportunities

Nature-related risks and opportunities stem from the Company's reliance on natural resources in its operations and the impacts of its activities on natural systems. Based on a comprehensive analysis of the drivers of changes in natural conditions, business impacts, and financial implications, we identify key pathways of natural dependencies and impacts, thereby systematically assessing potential nature-related risks and opportunities.

Material Natural Dependencies ⁷	Nature-related Risks/ Opportunities	Risk/Opportunity Description	Impact Pathways	Business Impact	Financial Impact
D1 Water Supply —PR1、 TR1、 O1 D2 Water Purification —PR2、 TR2、 O2 D3 Flow Maintenance —PR3、 O3 D4 Flood Prevention —PR3、 O2 D5 Storm Mitigation —PR3、 O4	PR1 Physical Risk - Chronic	Water Scarcity	Aridification of the climate in the production base region has led to a reduction in total available water resources.	Ensuring production water supply becomes difficult, hindering capacity expansion plans; additional management efforts are required to secure alternative water sources.	Raw water procurement costs increase; potential additional expenses for accessing water sources; limited production capacity may lead to reduced potential sales revenue.
	PR2 Physical Risk - Chronic	Deteriorating Water Quality	Deterioration of water source quality (e.g., eutrophication, pollution) damages natural resources or ecosystem services on which the enterprise relies.	Increases complexity of water treatment processes, deepens dependence on water treatment systems and chemicals, and raises operational maintenance workload.	Costs for water treatment chemicals, energy consumption, and filter materials increase; maintenance and renewal expenses for water treatment facilities rise.
	PR3 Physical Risk - Acute	Extreme rainfall, typhoons, or floods inundate factory facilities, damaging assets and disrupting operations.	Typhoons, heavy rainfall, or flooding affect low-lying plant areas, submerging production equipment and warehouse inventory.	Production equipment is damaged, production lines are halted; inventory products are scrapped; data center damage may lead to data loss.	Significant asset impairment and replacement costs; inventory losses; revenue interruption; rising insurance premiums following claims.
	TR1 Transition Risk - Policy	Water Quotas and Pricing Policies	To address water crises, the government implements strict total water use controls and tiered water pricing.	Enterprises must implement water-saving technological transformations to meet quota requirements, otherwise they face risks of production restrictions or shutdowns; cost structures undergo changes.	Compliance retrofit costs (capital expenditure); significantly increased water expenses for usage exceeding quotas (rising operating costs); non-compliance fines.
	TR2 Transition Risk - Policy	Increasingly Stringent Wastewater Discharge Standards	Environmental authorities are tightening industrial wastewater discharge standards (e.g., limits on heavy metals, total nitrogen, total phosphorus).	Existing wastewater treatment facilities require upgrades or even reconstruction; wastewater treatment processes become more complex, and sludge treatment pressure increases.	High capital expenditure for upgrading wastewater treatment facilities; significant rise in operating costs for wastewater treatment units.
	O1 Opportunity - Resource Efficiency	Improving Water Recycling Rate	By investing in technologies such as reclaimed water reuse and recirculating cooling, the freshwater consumption per unit product is significantly reduced.	Reduces dependence on external water supply, enhancing operational resilience and stability; complies with green manufacturing standards.	Directly lowers tap water fees and sewage charges, saving considerable long-term operational cost; water conservation investments yield favorable returns.

⁷ D: Dependence. PR: Physical Risk. TR: Transition Risk. O: Opportunity.

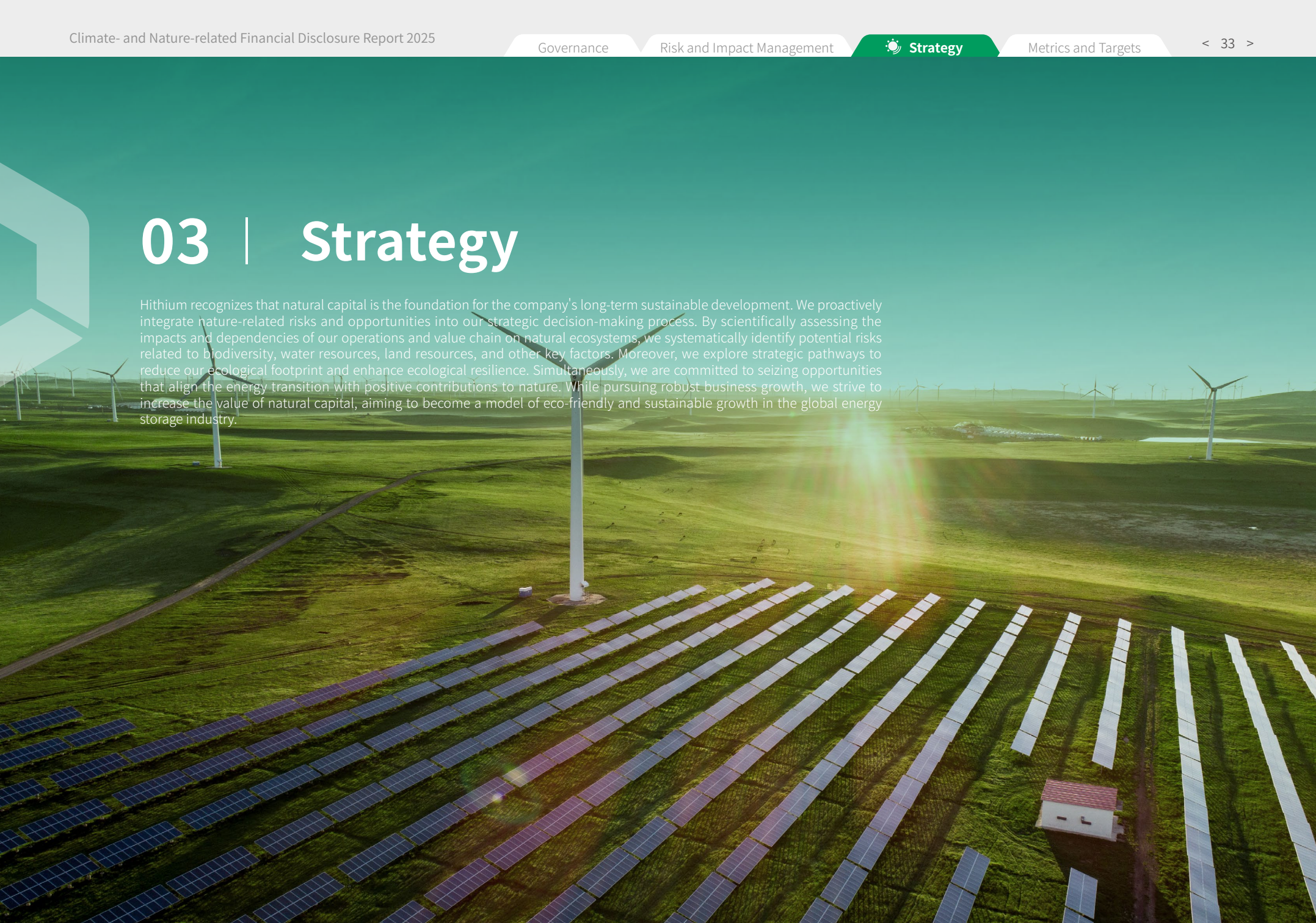
Material Natural Dependencies	Nature-related Risks/ Opportunities	Risk/Opportunity Description	Impact Pathways	Business Impact	Financial Impact
	O2 Opportunity - Reputational Capital	Building a reputation for environmental stewardship leadership and demonstrating supply chain resilience management capabilities	By protecting the environment around operational sites and addressing ecological risks, the Company builds a reputation as a responsible corporate citizen and demonstrates strong risk management capabilities to customers and investors.	Enhances brand reputation, facilitates government support and community acceptance, attracts ESG investors, and helps recruit top talent.	Strengthens Company valuation; leads to more favorable terms in negotiations; reduces capital costs.
	O3 Opportunity - Ecosystem Protection	Participating in watershed ecological restoration to ensure stable water supply	The Company proactively invests funds or resources in ecological restoration projects such as upstream water source protection and afforestation to improve regional water circulation.	This strategically ensures long-term water security and establishes strategic partnerships with local governments and communities.	It represents a strategic risk mitigation investment, with benefits reflected in long-term operational stability, avoiding significant losses caused by water crises.
	O4 Opportunity - Products & Services	Developing microgrid energy storage to enhance regional power supply resilience	In response to widespread blackouts frequently caused by typhoons and floods, provide energy storage microgrid solutions for critical facilities (e.g., hospitals, data centers).	Enter the emerging high-end market of "power resilience," where product value is highlighted, creating significant differentiation from competitors.	Gain premium pricing power, improving product gross margin; explore new market segments, creating new revenue growth points.
Material Natural Impact ⁸	Nature-related Risks/ Opportunities	Risk/Opportunity Description	Impact Pathways	Business Impact	Financial Impact
I1 Disturbance (noise, light pollution, etc.) —PR1、TR1、O1 I2 Non-GHG Air Pollutant Emissions —PR2、O2	PR1 Physical Risk – Chronic	Light and noise pollution from operations cause damage to local biodiversity	Light pollution disrupts nocturnal organisms, while noise pollution impairs wildlife inhabitation and reproduction, leading to localized ecosystem degradation.	May trigger environmental regulatory intervention; damages the Company's "green" image.	Potential increase in ecological compensation or restoration costs; operational disruption costs arising from community complaints.
	TR1 Transition Risk – Policy	Failure to comply with increasingly stringent environmental regulations (e.g., light and noise pollution standards)	National or local authorities have raised biodiversity protection requirements, rendering current standards non-compliant.	May lead to delays in environmental impact assessments for new projects, and existing facilities may face pressure to suspend operations for upgrades.	Increase in expenses required for modifying facilities to achieve compliance.
	PR2 Physical Risk – Chronic	Emissions cause pollution to surrounding air, soil, and water bodies, affecting ecosystem health (e.g., acid rain, eutrophication)	Pollutant deposition alters soil pH, affecting plant growth; harms local flora and fauna, disrupting ecological balance.	May trigger demands for ecological compensation; damages relationships with surrounding communities and regulatory authorities.	Potential increase in ecological compensation or restoration costs; operational disruption costs arising from community complaints.
	TR2 Transition Risk – Policy	Violation of potential policies such as "No-Waste City" initiatives, Extended Producer Responsibility (EPR), and mandatory battery recycling regulations	New policies may impose specific targets and responsibilities for the recycling and utilization of power storage battery.	Inadequate recycling systems or failure to meet recycled material usage rates could restrict product market access.	Compliance costs associated with meeting recycling rate requirements; potential increase in waste disposal expenses.

⁸I: Impact. PR: Physical Risk. TR: Transition Risk. O: Opportunity.

Material Natural Impact	Nature-related Risks/ Opportunities	Risk/Opportunity Description	Impact Pathways	Business Impact	Financial Impact
I3 Solid Waste Generation and Discharge —TR2, O1, O2 I4 Toxic Soil and Water Pollutant Emissions —PR3, O1, O2, O3 I5 Water Use —PR4, TR3, O1	PR3 Physical Risk – Chronic	Improper waste stockpiling occupies land resources, with hazardous components leaching into and contaminating soil and groundwater; chemical spills or leaks cause long-term, difficult-to-reverse pollution to soil and water bodies	Contaminates site and surrounding land and groundwater, damages ecosystem functions, and may endanger drinking water sources and agricultural product safety.	Leads to serious environmental incidents, causing irreversible brand damage; faces land remediation liabilities; may trigger environmental public interest litigation.	High costs for soil and groundwater remediation.
	PR4 Physical Risk – Chronic	Operations located in areas facing water scarcity or water stress, affecting production continuity	If droughts occur frequently, local governments may prioritize residential water supply, imposing water restrictions or cuts on water-intensive enterprises.	Production halts, delayed order fulfillment; impacts normal operations and expansion plans.	Revenue losses due to production shutdowns; additional costs for purchasing emergency water at high prices.
	TR3 Transition Risk – Policy	Tightening water efficiency standards and rising water costs	Stringent water resource management systems are implemented, with increasingly strict dual control targets for total water use and water use intensity.	New projects may face obstacles if water resource assessments are not approved; existing production capacity is under pressure to implement water-saving upgrades.	Continual increase in water resource costs; rising capital expenditure for investing in water-saving technologies to meet efficiency standards.
	O1 Opportunity - Resource Efficiency	Reducing dependence on external water resources through water-saving technologies and reclaimed water reuse, transforming waste into resources; reducing noise and light interference through investments in green technologies (e.g., intelligent lighting, noise reduction equipment)	After process optimization, treated wastewater can be recycled for landscaping or cleaning, valuable metals can be recovered from production waste (e.g., electrode trimmings, defective battery cells), and energy consumption can be reduced through intelligent lighting.	Enhances operational resilience in water-scarce regions, ensures water supply security, reduces dependence on virgin minerals, improves production efficiency and safety, and supports sustainable business growth.	Reduces freshwater intake and wastewater treatment costs, lowers raw material procurement expenses, decreases equipment maintenance costs and health and safety-related expenditures, and directly saves energy and resource-related expenses.
	O2 Opportunity - Market Access	Gaining entry into premium markets through outstanding environmental performance	Meeting stringent international standards (e.g., EU regulations) for carbon footprint and pollutant emissions of battery products.	Expanding into high-margin overseas markets and establishing a differentiated competitive advantage.	Achieving higher selling prices and profits; increasing market share.
	O3 Opportunity – Products & Services	Research, development, and application of non-toxic and low-toxic materials and processes to eliminate risks at the source	Invest in R&D of water-based binders, low-toxicity electrolytes, etc., to reduce the use of toxic substances in the production process.	Lead industry technological transformation and produce more environmentally friendly energy storage products.	Green products bring potential price premiums; increased sales drive overall revenue growth.

03 | Strategy

Hithium recognizes that natural capital is the foundation for the company's long-term sustainable development. We proactively integrate nature-related risks and opportunities into our strategic decision-making process. By scientifically assessing the impacts and dependencies of our operations and value chain on natural ecosystems, we systematically identify potential risks related to biodiversity, water resources, land resources, and other key factors. Moreover, we explore strategic pathways to reduce our ecological footprint and enhance ecological resilience. Simultaneously, we are committed to seizing opportunities that align the energy transition with positive contributions to nature. While pursuing robust business growth, we strive to increase the value of natural capital, aiming to become a model of eco-friendly and sustainable growth in the global energy storage industry.



Sustainable Development Concept and Strategy

Hithium adheres to the sustainable development concept of "let's power the future together", upholds our corporate mission of "let green energy benefit all and help strivers realise their dreams", and further breaks down the Company's sustainable development commitment into six core strategies according to the categories of key stakeholders. The sustainable development strategy - HIMPACT 2037 helps promote Hithium's environmental, social and governance impact with practical actions.

The HIMPACT 2037 Sustainability Strategy comprises six segments:

Area	Topic	Path	Related SDGs
Green Innovation	Clean Technology Opportunities Climate Change Response Product Carbon Footprint Environmental Management and Resource Optimisation	Through innovation, reduce the impact on the environment in the whole life cycle of product production, reduce the carbon footprint of products, and achieve carbon neutrality in the Group's operation.	   
Social Welfare	Energy Equity Community Communication and Charity	With its own sustainable actions, contribute to social prosperity and development and achieve energy equity.	 
Employee Empowerment	Employee Training and Development Occupational Health and Safety	Provide training and development opportunities to improve work efficiency and happiness.	  
Integrity	Corporate Governance and Business Ethics Intellectual Property Protection Information Security and Privacy Protection	Practice a sound and transparent business operation model and guide business operation with the concept of sustainable development.	  
Customer Response	Product Quality and Safety Customer Relationship Management Product Recycling	Realize a rapid response mechanism, personalized services, transparent communication and continuous improvement, to improve customer experience and satisfaction.	 
Collaboration	Sustainable Supply Chain Management Industry Collaboration and Low-Carbon Transformation	Build an ecological supply chain and establish long-term strategic cooperation with suppliers and industry partners.	     

Nature-Related Risk and Opportunities Management

Nature-related Risks / Opportunities Type	Specific Description	Related Nature Dependencies / Impacts	Time Dimension	Mitigation Measures
Physical Risks	Acute Intensity of extreme disasters such as heatwaves, floods, dust storms, and typhoons has increased.	Dependencies: - Flow maintenance Impact: - Disturbance (noise, light pollution, etc.) - Solid waste generation and emissions - Toxic soil pollutant and water pollutant emissions	Short and Medium Term	Formulated the <i>Emergency Management Regulations for Typhoon and Flood Prevention</i> to ensure efficient and orderly emergency response, minimizing disaster-related losses to the greatest extent.
	Chronic Emissions are causing pollution in the surrounding air, soil, and water bodies, harming ecosystem health (e.g., acid rain, eutrophication).	Dependencies: - Water purification Impact: - Solid waste generation and emissions - Toxic soil pollutant and water pollutant emissions	Medium and Long Term	Proactively promoted waste heat recovery, achieving efficient reuse of high-temperature exhaust heat from RTO equipment and facilitating resource regeneration.
Transition Risks	Policy Governments are tightening policy requirements and oversight regarding enterprises' use of natural resources, energy, and disposal of emissions.	Dependencies: - Water purification Impact: - Solid waste generation and emissions - Water consumption	Short, Medium, and Long Term	Established green procurement standards, requiring purchased products to comply with environmental laws and regulations, and prohibiting the inclusion of restricted hazardous substances.
	Reputation Community dissatisfaction with enterprises' use of natural resources and disposal of pollutants/waste is damaging corporate reputations.	Dependencies: - Water supply Impact: - Disturbance (noise, light pollution, etc.) - Solid waste generation and emissions	Medium and Long Term	- Honeycomb-impedance composite mufflers are deployed to address noise generated during air compressor pressure release, effectively improving the workplace environment for employees while ensuring the quality of the surrounding acoustic environment and ecological harmony. - A new-generation Cell 314Ah product has been launched, enhancing capacity while comprehensively optimizing environmental performance. - An advanced research institute has been established, dedicated to developing battery material recycling systems and constructing an industrial closed loop from "battery production → cascaded utilization → resource regeneration."

Nature-related Risks / Opportunities Type		Specific Description	Related Nature Dependencies / Impacts	Time Dimension	Mitigation Measures
Opportunity	Resource Efficiency / Sustainable Use of Natural Resources	Continuously optimize processes and production workflows, carry out recycling and reuse efforts, improve resource utilization efficiency, and reduce solid waste generation and land occupation.	Dependencies: - Water supply Impact: - Disturbance (noise, light pollution, etc.) - Solid waste generation and emissions - Toxic soil pollutant and water pollutant emissions	Short, Medium, and Long Term	Driving corresponding conservation, restoration, and positive compensation actions through initiatives such as the circular economy, energy management, sustainable water resource management, and carbon data management, committed to achieving a balance between ecological loss and gain.
	Market	Growing ecological conservation demands from stakeholders and their heightened focus on environmental issues are expected to drive the emergence of more eco-friendly products in the market.	Impact: - Non-greenhouse gas air pollutant emissions - Solid waste generation and emissions - Toxic soil pollutant and water pollutant emissions	Short, Medium, and Long Term	Providing customers with safe, efficient, clean, and sustainable green energy solutions and products.
	Products and Services	Develop and innovate products and services to meet customer demand for environmentally friendly materials and clean technology applications, and to qualify for government incentives.	Dependencies: - Storm events Impact: - Toxic soil pollutant and water pollutant emissions	Short, Medium, and Long Term	Accurately anticipating strategic opportunities in long-duration energy storage scenarios and introducing the industry's first Cell 1175Ah energy storage battery adapted for long-duration storage, effectively contributing to carbon reduction.
	Reputation Capital	Changes in external perceptions of the company's actual or perceived environmental impacts may influence broader public opinion.	Dependencies: - Water quality purification - Flood control	Short, Medium, and Long Term	- Attending the 30th United Nations Climate Change Conference (COP30) and delivering a speech. - Selected for the Ministry of Industry and Information Technology's Green Manufacturing List and recognized as a "National Green Factory". - Awarded the EcoVadis "Gold" rating.
	Ecosystem Protection, Restoration, and Regeneration	Support and conduct activities to protect, regenerate, or restore local vegetation, wetlands, and ecosystems.	Dependencies: Water flow maintenance	Medium and Long Term	Conducting ecological baseline surveys during the planning and construction phases of the factory, incorporating environmentally friendly technologies through scientific layout, such as using honeycomb-type impedance composite noise reduction systems to mitigate noise.

Nature Friendly Transformation Plan

Hithium is committed to proactively fulfilling its socio-environmental responsibilities throughout its production and operations. With the goals of alleviating dependence on natural resources and creating a positive impact on nature, the Company has charted a clear transformation path for its business and value chain. Based on the "Method for Ecological Protection", we are dedicated to minimizing the environmental impact of our operations.

Avoid

Prevent negative impacts and gradually eliminate them. We actively practice green and low-carbon development principles, build green factories, and conduct comprehensive factory construction assessments based on national standards through authoritative third-party institutions, aiming to establish national-level green factories.

Minimize

Minimize unavoidable negative impacts to the lowest extent possible. While advancing technological upgrades, we comprehensively optimize environmental metrics. Compared to the 2023 baseline, our latest products have reduced carbon emission intensity by 15%, wastewater discharge intensity by 37.76%, and sulfur oxide emission intensity by 70.99%.

Restore

Accelerate the restoration of ecosystems and gradually expand the scope of existing ecosystem restoration projects, striving to achieve permanent environmental improvements.

Compensation

Invest in off-site conservation or restoration projects that provide equivalent or higher ecological value, when residual impacts cannot be fully eliminated through the aforementioned measures.

Hithium has established a green and low-carbon transformation plan covering the whole life cycle, which includes green design, green procurement, green production, green recycling and green information disclosure. By defining quantifiable management standards, the Company runs the concept of green management through the whole life cycle of products, promotes green collaboration between upstream and downstream of the supply chain, and actively promotes the realization of low-carbon goals.

Green Design

The concept of ecological design is introduced in product design, following the 3R (Reduce, Reuse, Recycle) principles. The aim is to reduce energy consumption during the product design phase, achieve regeneration or reuse of products and components, and minimise negative environmental impacts.

Green Procurement

Hithium has established comprehensive green procurement standards, requiring purchased products to comply with environmental protection laws and regulations and to be free of banned harmful substances. At the same time, the Company implements green logistics and green packaging measures to reduce additional resource consumption during transportation. To further promote the green and sustainable development of suppliers, Hithium requires all suppliers to sign the *Supplier Management Agreement* and comply with the ESG-related requirements in the agreement regarding environmental protection, corporate social responsibility (CSR), and management of harmful substances.

Green Production

During the production phase, the Company improves the utilisation of energy and water resources, reduces carbon emissions and wastewater discharge per unit product, and optimises resource consumption. Hithium has implemented several energy-saving projects, including replacing energy-efficient cooling towers, running water supply pumps at reduced frequencies, water-saving modifications to the DI water cleaning rooms, energy-saving reductions in compressed air systems, and temperature control improvements for dehumidifier regenerators, among others, to reduce energy consumption and optimise the energy usage structure.

Green Recycling

Gradually improving the utilisation rate of raw materials, the Company enhances recycling and reuse of products, scraps, and packaging from the aspects of limiting the use of harmful substances, waste resource utilisation, and harmless treatment of raw materials.

The recyclability rate of battery products is 85%. The recyclability rate of packaging materials has reached 100%.

Green Information Disclosure

The Company continuously improves its green information disclosure mechanism, integrating it with existing information platforms such as the Supplier Relationship Management (SRM) system, Customer Relationship Management (CRM) system, Human Resource Management (HRM) system, Enterprise Resource Planning (ERP) system, Product Lifecycle Management (PLM) system, Manufacturing Execution System (MES), Office Administration (OA) system, After-sales Service (AS) system, and Energy Management Centre system. These systems enable the collection, processing, analysis, sharing, and disclosure of relevant green information related to product design, procurement, production, distribution, and recycling. This ensures full life cycle green information management for procurement, design, production, transportation, and downstream use of product.

Clean Technology Research and Development

Hithium always adheres to the core position of innovation, takes the improvement of the level of new energy science and technology as the breakthrough point of energy transition and development, speeds up the pace of independent innovation of new energy science and technology, gives full play to the main role of enterprise technology innovation, and promotes the deep integration of industry, university and research, promotes the transformation of new energy technology from introduction and adoption to independent innovation, forming an integrated innovation and coordinated technology development mode of the whole industrial chain of upstream and downstream new energy science and technology innovation.



Super Long Lifespan

- SEI Membrane Targeted Repair of Electrolyte: Precisely repairs the micro-damage of the SEI film, reduces the consumption of electrolyte and active lithium, and extends the lifespan of the battery cell.
- High Interface Stability Anode: Uses highly isotropic graphite to alleviate lithium insertion expansion stress and enhance anode interface stability.
- Active Lithium Slow Release: Innovative multi-level nano-particle cathode materials enable lithium-ion "gradual" release, precisely matching lithium consumption.

Ultra High Safety

- Safer Active Materials: The cathode uses multi-element doping and coating technology, and the anode uses low-surface-defect graphite to improve thermal stability and safety.
- Three-dimensional Air Channels: 360° gas transmission path design combined with directional valve opening technology ensures accurate and sensitive pressure relief.

Ultra High Consistency

- High Capacity Consistency: The world's first kAh-level MIC battery significantly improves capacity consistency.
- Lower Self-discharge: Full tab and foil laminating process reduces foreign particles, and the large-capacity design suppresses pressure differences.
- Better Electrode Interface Performance: Advanced processes eliminate stress unevenness, improving electrode interface stability.

Ultra Low Cost

- kAh MIC Battery and System: Battery unit Wh cost reduced by 7.5%, system non-cell components reduced by 30%, resulting in a comprehensive cost reduction of 20%.
- Intelligent Manufacturing Production Line: Fourth-generation production line efficiency increased by 30%, manufacturing costs reduced by 25%.
- Full industry Chain Ecological Layout: Builds industry chain clusters to reduce costs across the entire chain and creates a value chain for the full lifecycle of energy storage.

Innovation in Low-carbon Products

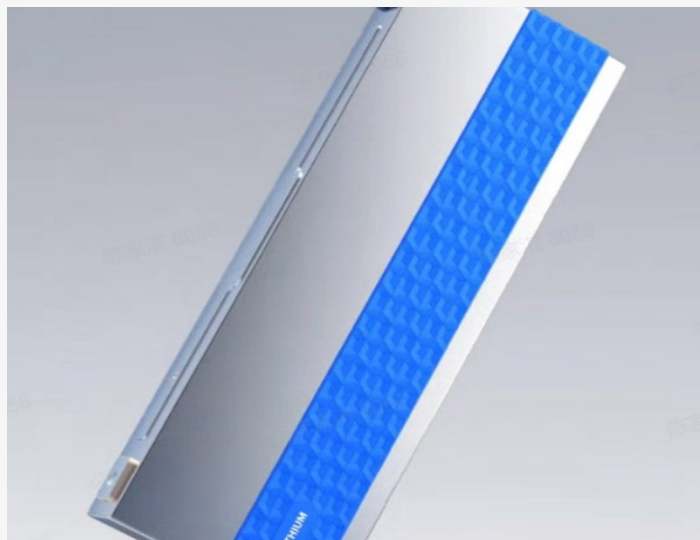
To provide customers with safe, efficient, clean and sustainable green energy solutions and products, the Company uses the whole life cycle assessment method as the basis and refers to the carbon footprint accounting method specified in ISO14067:2018 *Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification*, ISO14040:2006 *Environmental Management — Life Cycle Assessment — Principles and Framework* and ISO14044:2006 *Environmental Management — Life Cycle Assessment — Requirements and Guidelines* to calculate for its own products.

During the reporting period, the Company investigated and calculated the carbon footprint emissions of 314 Ah energy storage batteries. In accounting, the system boundary is defined as "from cradle to grave", covering the production process of upstream raw materials, on-site production and processing of products, transportation in the product distribution stage, power consumption in the use stage and recycling and landfill in the waste disposal stage.



Product Cell 314Ah saw improvement in both capacity and environmental performance

The Company has achieved a breakthrough based on the technology of Cell 280Ah and launched a new generation - Cell 314Ah products. This upgrade has comprehensively optimized environmental performance while improving product capacity. Compared with the 2023 benchmark, the new products have a 15% reduction in carbon intensity and a 37.76% reduction in wastewater intensity. In terms of waste and air emissions, the emission intensity of harmless waste and hazardous waste decreased by 32.6% and 27.23% respectively. The emissions of sulfur oxides and nitrogen oxides have also been effectively controlled, with a decrease of 70.99% and 45.22% respectively.



Green and Low-carbon Operation

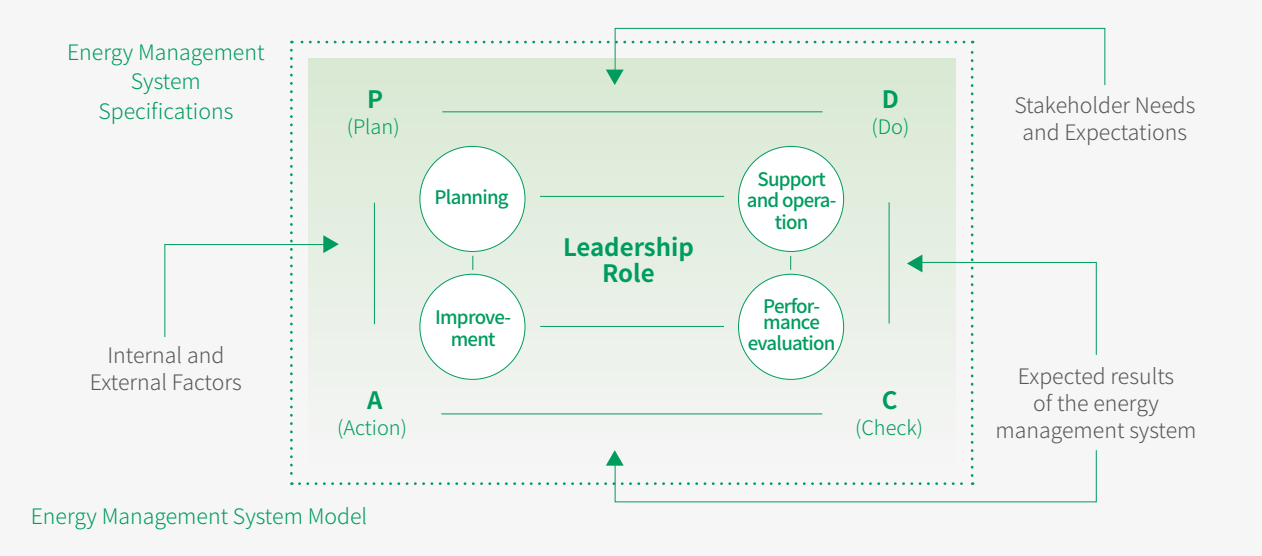
We are committed to minimizing the impact of our operations on biodiversity and forest resources in accordance with the relevant environmental laws of each operating location, with the goal of protecting biodiversity. Through circular economy, energy management, sustainable water management, carbon data management and other forms, we promote corresponding protection, repair and active compensation actions, and strive to achieve the balance of ecological loss and gain.

Hithium actively practices the concept of green and low-carbon development, takes the construction of green factories as the starting point, continuously promotes the green transformation of enterprises and industrial chains, and helps construct the national green manufacturing system. In 2024, the Company was selected into the green manufacturing list of the Ministry of Industry and Information Technology and was awarded the "National Green Factory".

In the process of creating a green factory, Hithium has entrusted qualified third-party institutions to carry out comprehensive evaluation in strict accordance with national standards. The evaluation covers six dimensions of infrastructure, management system, energy and resource input, product ecological design, environmental emissions and comprehensive performance, and systematically evaluates the comprehensive performance of the factory in energy saving and carbon reduction, environmental friendliness, resource recycling and other aspects, providing a scientific basis for continuously improving the level of green manufacturing.

Energy Management

The Company has established an energy management system in accordance with the *Energy Management Systems - Requirements with Guidance for Use*, adopting the "P (Plan) — D (Do) — C (Check) — A (Act)" model for energy management. The management process ensures that each step is monitored, measured, and controlled. The management team ensures continuous improvement of these processes and related factors through planning, internal/external audits, and management reviews within the energy management system, ensuring the effectiveness of the system's operation.



Waste heat recycling: Double breakthroughs in VOC control and resource regeneration

Faced with the common industry challenge of high energy consumption of electric heating desorption process in VOC waste gas treatment process, we have efficiently recovered the high-temperature exhaust heat of RTO equipment through systematic technical transformation. Innovative air duct and intelligent automatic control system are adopted to accurately deliver the recovered waste heat to the VOC desorption process, successfully replacing traditional electric heating mode and realizing gradient utilization and closed-loop management of energy. This technology path not only significantly improves the efficiency of waste gas treatment but also converts the treatment process into a resource regeneration process, which can save about RMB 200,000 in energy consumption costs annually and effectively reduce carbon emission intensity. This practice breaks through the high carbon mode of traditional end treatment and provides a reproducible model for the industry to promote energy conservation and cost reduction and green manufacturing.

Sustainable Water Resource Management

Hithium follows relevant national laws, regulations and local policies, strictly implements emission standards, reduces water use density and improves water recycling rate. Through real-time monitoring of water quality data and wastewater recycling rate, water-saving rectification measures and technical transformation projects, and through the introduction of intelligent plant water resource management system, the Company realizes real-time monitoring of water quality data and wastewater recycling rate and strengthens water resource management.

Brine recycling: closed-loop practice and value creation from wastewater to resources

By constructing a refined brine recycling system in the Chongqing base, the brine discharged from the pure water system is converted into a stable make-up water source for the cooling tower, and the gradient circulation and value enhancement of water resources are realized. Relying on the automatic collection system and precise transmission process, the project can efficiently reuse about 65 tons of qualified brine per day through the float valve level control and water pump linkage, significantly reducing the consumption of new water resources and wastewater discharge, and realizing benefits in both resource saving and environmental protection.

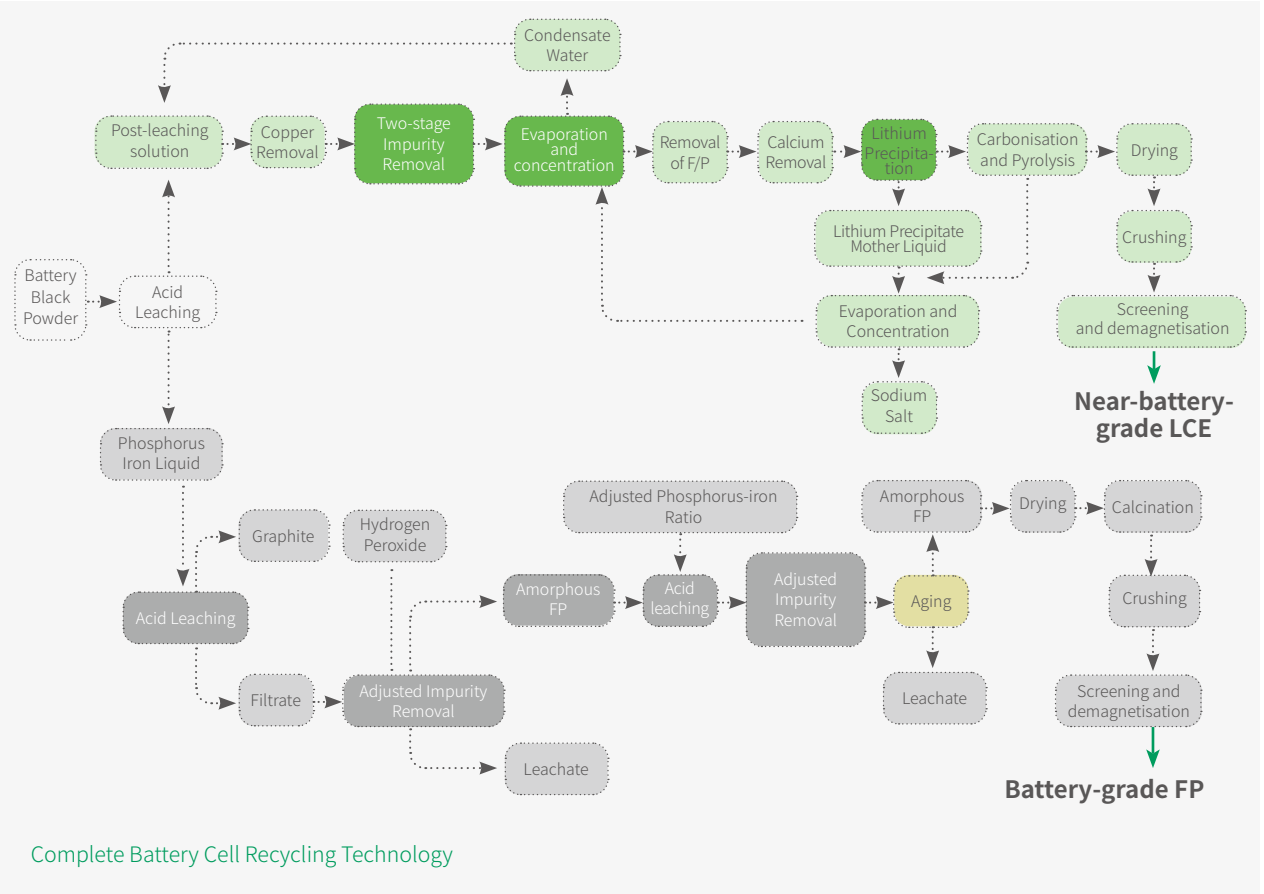
65 tons

of qualified brine can be efficiently reused per day



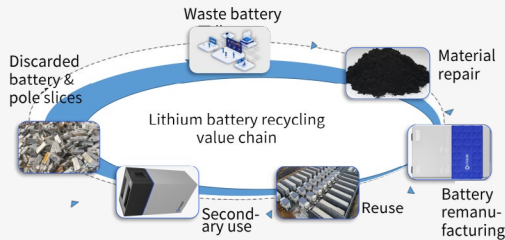
Circular Economy

Hithium has established an Advanced Research Institute dedicated to tackling the battery material recycling system, constructing an industrial closed loop from "battery production – secondary use – resource regeneration", and promoting the green and sustainable development of the lithium battery industry chain. At the same time, the Company has independently developed "non-destructive" repair technology, breaking through the limitations of traditional recycling processes. Through liquid-phase separation and low-temperature repair technology, it achieves a more environmentally friendly, low-cost, and high-efficiency battery material recycling model.



Green logistics + recycling - lithium battery recycling value chain

At present, Hithium has completed the construction and operation of 5000t intelligent cathode material repair production line (Phase I) and completed the construction of a recycling plant in the Chongqing base. At the same time, the Company has laid out in the United States, India, Germany and other countries. Through direct export at Xiamen Port, it increases sea transportation and reduces land transportation, effectively reducing carbon emissions during transportation.



Carbon Data Management

Hithium is committed to building a comprehensive carbon emission management system, regularly and systematically assessing the greenhouse gas emission data from each manufacturing site every year, and commissioning independent third-party organisations to audit the carbon emissions from operations and value chain segments. While strengthening internal carbon management capabilities, the Company actively promotes carbon reduction within the value chain.

Data Integration and Integration

- Seamless Integration of Enterprise Information Systems
- Goal: Break down data silos and build a full lifecycle management system.
 - Integrated Systems: MES/Energy Management System/ Environmental Monitoring/PLM/Purchasing System

Supply Chain Collaboration

- Multi-level Supply Chain Management
- Unified data format standards
 - Automated data collection
 - Hierarchical permission management
 - Simplified certification process

Intelligent Analysis

- Data Statistics and Transformation
- Carbon emission reports
 - Trend analysis charts
 - Emission reduction suggestion list
 - Emission source classification statistics

Quality Assurance

- Dual Verification Mechanism
- Internal data review process
 - Third-party organisation verification

Full Lifecycle Data Management

- Multi-link coverage
- Raw material acquisition Production - Disposal and recycling
 - Real-time summary of carbon emissions data
 - Dynamic carbon footprint monitoring

Accounting and Reporting

- Organisational-level Carbon Accounting
- Data quality inspection
 - Automatic generation of inventory reports
- Product Carbon Footprint Reports
- Customisable accounting boundaries
 - Selection of emission factor database
 - Automatic generation of visual reports



Hithium's Carbon Management Platform

In 2025, Hithium incorporated the carbon neutrality target into the global authoritative emission reduction framework through the approval of the Science Based Targets initiative (SBTi), demonstrating its determination to achieve green and low-carbon operation.



Intelligent control of carbon data: A new paradigm of data-driven precise carbon reduction

As the intelligent core platform for the Company to achieve the goal of carbon peaking and carbon neutrality, Hithium Carbon Management Cockpit has achieved fine, transparent and dynamic management of carbon emissions. The platform focuses on displaying the emission control and emission reduction targets and their achievement including annual and monthly data, and performs benchmarking management on the carbon performance of each department. It can dynamically track the progress of carbon reduction projects and update the full life cycle carbon footprint data of star products on a monthly basis, and users can have in-depth insight into the emission details and change trends of each process through the interactive interface. The platform provides real-time insight into the granularity with monthly data, upgrades carbon emission management from result summarization to process empowerment, significantly improves the accuracy and foresight of carbon management, and provides strong data support for strategic decision-making and emission reduction path optimization.



Ecological Protection and Restoration

Hithium always deeply integrates active ecological protection into enterprise strategy and daily operation. We not only strictly comply with all environmental protection regulations but also carry out ecological baseline survey in the planning and construction stage of the plant area. We minimize disturbance to local natural habitats and biodiversity through scientific layout and introduction of environmentally friendly technologies.

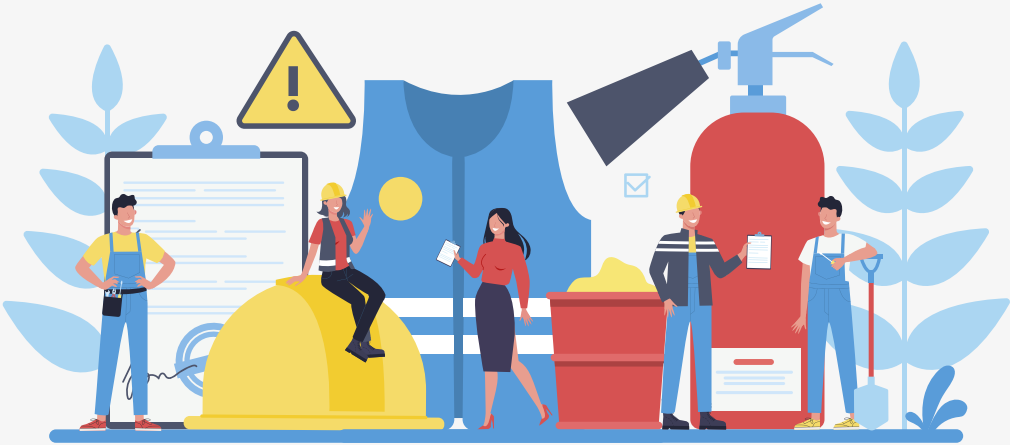
Cellular impedance composite noise reduction system

To solve the noise problem of air compressor in the process of pressure relief, we adopt cellular impedance composite noise reduction box as the core solution. This technology combines the structural advantages of resistance (processing medium and high frequency noise) and reactance (suppressing low frequency noise), and has the characteristics of wide noise reduction frequency band and small air flow resistance. The renovation includes installing silencing devices at the air compressor outlet and six exhaust ports. After the implementation of the project, the noise within the plant boundary has been stably controlled within the national standard of $\leq 65\text{dB}$ at daytime and $\leq 55\text{dB}$ at night, effectively improving the working environment of employees and ensuring the quality of surrounding acoustic environment and ecological harmony.

For areas that are inevitably affected in the operation process, Hithium firmly fulfills its ecological recovery responsibility and promises to implement systematic compensation and restoration actions. We develop and implement a long-term ecological restoration plan for the plant site, including but not limited to reducing the damage to local ecosystems caused by natural disasters through timely and effective measures. We are committed to building the factory not only as a green manufacturing base, but also as an ecological node harmonious with the surrounding environment, contributing to the stability of the local ecosystem of the factory through practical actions, and achieving the long-term goal of coordinated development of the enterprise and nature.

Case - flood control in the Chongqing base

Faced with the orange rainstorm warning issued by Tongliang District on 23 July 2025, in accordance with the *Hithium Emergency Management Regulations for Typhoon and Flood Prevention* formulated by the Company, to ensure the efficient and orderly emergency work and minimize the losses caused by disasters, the Chongqing base responded quickly, immediately organized the ME/FE Department to carry out preventive inspection and maintenance of production facilities, and arranged PRD to use fire sandbags to block rolling shutter doors and fire doors on the external wall of the production workshop, to prevent rainwater from flowing backward. At the same time, all departments strengthened the inspection of responsible areas, closed doors and windows in advance, fixed various facilities, and adjusted the operation arrangement reasonably to avoid employees working in the rain, so as to fully guarantee the safety of personnel and facilities. The whole base entered a high alert state, and the emergency command center was on duty throughout the whole process to ensure effective treatment of abnormalities at the first time.



Flood control materials of the Chongqing base

Green Supply Chain Management

Focusing on the energy storage sector, Hithium actively advances its own green supply chain management and innovation, leveraging its strengths in industry integration and coordination to deliver safe, efficient, clean, and sustainable green energy solutions and high-quality services to global clients, thereby contributing to the high-quality development of the energy storage industry.

As a core long-term objective of its supply chain development, green supply chain practices have been incorporated into Hithium's medium- and long-term development strategy. The Company has formulated the *Green Supply Chain Medium- and Long-Term Plan (2024–2033)*, enhancing supplier management and green supply chain systems. The plan embeds the concept of sustainable development throughout the entire product lifecycle, with clearly defined objectives, strategies, and measures for green design, production, information platforms, recycling, and information disclosure, driving green development across the full value chain.

Hithium adheres to the core concept of internal and external dual drive, makes progress internally, opens up and cooperates with industry partners externally, and jointly promotes the prosperity and value sharing of industry ecology. In 2025, EcoVadis, a global authoritative sustainable development rating agency, disclosed the latest corporate social responsibility rating results. Hithium scored 80 points in its first appearance and won the EcoVadis Gold Medal, ranking among the top 5% of the participating enterprises in the whole industry, and setting the highest score record for domestic energy storage enterprises so far.

<Supportive>

-  Green Concept Full-Chain Integration
-  Low-Carbon investment and Ecological Co-construction
-  Digital Empowerment for Efficient Co-construction

<Foundational>

-  Supply Chain Quality Management
-  Enhancement of Supply Chain Resilience
-  Supply Chain Due Diligence
-  Responsible Mineral Management

Hithium's Sustainable Supply Chain Value System



Environment

EcoVadis score: 82/100

At the beginning of factory design and product research and development, the green concept has been deeply integrated, and the carbon footprint has been reduced from the source through the substitution of environmentally friendly materials and the optimization of process structure. In the two major manufacturing bases of Xiamen and Chongqing, the Company continues to promote the application of electrified equipment, packaging material recycling, waste reduction and energy efficiency optimization projects, and continuously improves the level of green manufacturing.

Ethics

EcoVadis score: 67/100

The Company establishes a standardized governance structure and establishes professional committees to ensure transparent decision-making. The Company sets up a compliance system covering anti-corruption, data security and other fields, and strictly prevents conflicts of interest and fraud. The Company requires suppliers to comply with integrity commitments, and has obtained multiple certifications in intellectual property and information security, thereby building a strong line of defense in business ethics.

Labor & human rights

EcoVadis score: 84/100

The Company has established a sound employee rights and interests and occupational health system, implemented equal pay for equal work and guaranteed remuneration and benefits according to law. The Company has passed ISO 45001 certification, with 100% occupational health examination coverage, regular safety training, and equal employment and diversity policy. Employees can appeal and give feedback through multiple channels and enjoy both comprehensive benefits and psychological care, and their rights and interests are effectively safeguarded.

Sustainable procurement

EcoVadis score: 82/100

Hithium extends its experience to the industrial chain, helps partners improve the green management system through supplier ESG training and annual audit mechanism, and jointly builds an open and win-win sustainable industrial ecology, fully demonstrating its industry leadership in the field of sustainable development.



Highlights and scores of Hithium in EcoVadis dimensions



04 | Metrics and Targets

In order to systematically manage climate-related risks, grasp nature-related opportunities, and steadily move towards the goal of carbon neutrality, Hithium has deeply integrated climate and natural factors into strategic decision-making and performance management, and disclosed in detail the implementation progress of key indicators and target benchmarking under the guidance of TCFD and TNFD frameworks, aiming to transparently show our specific actions and achievements in mitigation and adaptation transformation, value chain governance and ecosystem protection.



Climate and Nature Targets

Core Strategies	Strategic Issues	Metrics	Target			2024 Progress and Achievements	2025 Progress and Achievements
			2025	2028	2037		
Green Innovation	Clean Technology Opportunities	Cumulative number of valid clean technology patent applications (items)	>4,500	>6,000	>10,000	3,997	
		Cumulative number of granted clean technology patents (items)	>2,500	>2,500	>6,500	1,993	
	Environmental Management and Resource Optimisation	Greenhouse gas emissions from own operations (Scope 1 + Scope 2) (tCO ₂ e)	Achieve a 58.80% reduction in Scope 1 and 2 operational greenhouse gas emissions from 2023 levels by 2034			Greenhouse gas emission intensity from own operations decreased by 10.35% compared to 2023	
		Coverage rate of emergency response plans for climate risks (%)	100%	100%	100%	100%	
		Coverage rate of climate resilience assessments for site facilities (%)	/	100%	100%	100%	
		Certification pass rate of zero-carbon factories at battery manufacturing base (%)	/	100% certification achieved at Xiamen and Chongqing battery manufacturing bases	100% certification achieved at all global battery manufacturing bases	50%	
		Coverage rate of ISO 14001 Environmental Management System certification at mass production manufacturing base (%)	/	100%	100%	100%	
		Comprehensive energy consumption intensity (per unit of sales) (MWh/GWh)	5% reduction from 2023	10% reduction from 2023	Reach industry-leading level	7.73% reduction from 2023	
		NO _x emissions intensity in exhaust gas (per unit of sales) (tons/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	45.45% reduction from 2023	
		SO _x emissions intensity in exhaust gas (per unit of sales) (tons/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	54.55% reduction from 2023	
		Hazardous waste emissions intensity (per unit of sales) (tons/GWh)	15% reduction from 2023	20% reduction from 2023	50% reduction from 2023	22.18% reduction from 2023	
	Product Carbon Footprint	Carbon emissions per unit product across the value chain (Scope 3) (tCO ₂ e/GWh)	Achieve a 63.80% reduction in Scope 3 value chain carbon emissions per unit product from 2023 levels by 2034			2.94% lower than 2023	
		Product carbon footprint certification plan	100% ISO 14067 coverage for key battery cell products	Complete product carbon footprint declaration in accordance with upcoming EU Battery Regulation requirements	Maintain industry leadership	100% ISO 14067 coverage for key battery cell products	



Core Strategies	Strategic Issues	Metrics	Target			2024 Progress and Achievements	2025 Progress and Achievements
			2025	2028	2037		
Employee Empowerment	Employee Training and Development	Training coverage rate for full-time employees (%)	100%	100%	100%	100%	
	Occupational Health and Safety	Coverage rate of safety-specific training for full-time employees (%)	100%	100%	100%	100%	
		Coverage rate of regular health checkups for specific positions (%)	100%	100%	100%	100%	
		Coverage rate of ISO 45001 Occupational Health and Safety Management System certification at mass production manufacturing base (%)	/	66%	100%	100%	
		Number of mental health training sessions for all employees (sessions)	/	Prioritise employee mental health by organising at least one Company-wide mental health training session each year		/	
		Major incident occurrence rate (%)	0%	0%	0%	0%	
Customer Responsiveness	Product Quality and Safety	Coverage rate of ISO 9001 Quality Management System certification at mass production manufacturing base (%)	/	100%	100%	100%	
	Customer Relationship Management	Customer complaint closure rate (%)	Maintain 96%+	Maintain 97%+	Maintain 98%+	100%	
		Customer satisfaction rate (%)	90%+	90%+	90%+	94.80%	
	Product Recycling	Material recycling capacity enhancement plan	Possess initial process capability for lithium iron phosphate (LFP) battery material recycling	Continuously optimise recycling pathways and explore economically viable large-scale application solutions		Recycling process capability achieved	
Social Welfare	Energy Equality	Number of countries/regions covered by energy equality products (countries)	Over 5	Over 10	Over 15	4	
	Community Engagement and Philanthropic Initiatives	Project-based management plan for public welfare affairs	Centralised management with initial coordination mechanism	Establish a public welfare foundation with independent planning and stable execution capabilities to enable professional operation of philanthropic Projects	Build a public welfare strategic management system covering the main regions of the Company, achieve professionalisation, branding and measurable effectiveness of public welfare projects, and become an important force in the cocreation of regional social value	Centralised management of public welfare affairs preliminarily achieved	

Core Strategies	Strategic Issues	Metrics		Target		2024 Progress and Achievements	2025 Progress and Achievements
			2025	2028	2037		
Win-win Cooperation	Sustainable Supply Chain Management	Number of suppliers covered by ESG reviews (suppliers)	40	55	80	31	
		Percentage of previous fiscal year's supplier spend covered by ESG reviews (%)	70%	75%	80%	More than 70%	
		Training coverage for key suppliers on the Code of Conduct (participants)	50	80	150	40	
	Industrial Cooperation and Low-carbon Transition	Industry-academia-research collaboration and technology exchange plan	Collaboration with universities, research institutions and key customers around energy storage products and technologies	Promote the application of industry-academia-research collaboration projects and establish a joint R&D mechanism for key technologies	Establish a stable industry collaboration mechanism in key technical areas to continuously advance the implementation and promotion of core outcomes	Key technology collaborative R&D mechanism established	
	Corporate Governance and Business Ethics	Coverage rate of integrity training for employees (%)	100%	100%	100%	100%	
Integrity and Compliance	Intellectual Property Protection	Certification status of innovation and intellectual property management capability level	Passed	Passed	Passed	Passed	
	Information Security and Privacy Protection	Number of information security and privacy breach incidents (cases)	0	0	0	0	
		Coverage rate of ISO 27001 Information Security Management System certification at mass production manufacturing base (%)	/	100%	100%	50%	
		Coverage rate of employee information security training (%)	100% of IT staff	100% of key departments	100% of full-time employees	100% of IT staff	

Climate and Nature Metrics

Metrics	Unit	2025	2024
Climate Change Response			
Total Scope 1 greenhouse gas emissions	Tons of CO ₂ equivalent	102,431.57	80,010.73
Scope 1 Greenhouse gas emission intensity	Tons of CO ₂ equivalent per GWh	1,535.71	2,381.3
Scope 2 greenhouse gas emissions (location based)	Tons of CO ₂ equivalent	338,888.94	246,480.26
Scope 2 greenhouse gas emissions (market based)	Tons of CO ₂ equivalent	81,972.76	/
Scope 2 Greenhouse gas emission intensity	Tons of CO ₂ equivalent per GWh	5,080.79	7,335.7
Total Scope 3 greenhouse gas emissions	Tons of CO ₂ equivalent	4,052,093.47	1,771,413.44
Scope 3 Greenhouse gas emission intensity	Tons of CO ₂ equivalent per GWh	60,751.03	52,720.6
Scope 3 upstream greenhouse gas emissions	Tons of CO ₂ equivalent	4,009,117.65	1,695,992.93
Scope 3 downstream greenhouse gas emissions	Tons of CO ₂ equivalent	42,975.82	75,420.51
Asset amount vulnerable to climate-related transition risks ⁹	RMB10,000	XX	498,370.17
Percentage of asset amount vulnerable to climate-related transition risks ¹⁰	%	XX	11.65
Business activity amount vulnerable to climate-related transition risks ¹¹	RMB10,000	XX	329,176.42
Percentage of business activity amount vulnerable to climate-related transition risks ¹²	%	XX	18.20
Asset amount vulnerable to climate-related physical risks ¹³	RMB10,000	XX	3,587,647.08

⁹ Asset amount of each subsidiary in the United States and Europe

¹⁰ Percentage of asset amount of each subsidiary in the United States and Europe / total amount disclosed in the listing (before consolidation adjustments)

¹¹ Business costs in the United States and Europe (capex, opex)

¹² Business costs in the United States and Europe / total costs (before consolidation adjustments)

¹³ Asset amount of Xiamen and Chongqing manufacturing bases

Metrics	Unit	2025	2024
Climate Change Response			
Percentage of asset amount vulnerable to climate-related physical risks ¹⁴	%	XX	83.89
Business activity amount vulnerable to climate-related physical risks ¹⁵	RMB10,000	XX	1,397,200.40
Percentage of business activity amount vulnerable to climate-related physical risks ¹⁶	%	XX	77.25
Asset amount related to climate opportunities	RMB10,000	XX	3,145,043.61
Percentage of asset amount related to climate opportunities	%	XX	100
Investment and financing amount related to climate-related risks and opportunities	RMB10,000	XX	79.99
Capital expenditure amount related to climate-related risks and opportunities	RMB10,000	XX	218,714.00
Environmental Management and Resource Optimisation			
Total energy consumption	GWh	1,725.43	968.76
Total natural gas consumption	1,000,000 m ³	53.52	43.3
Natural gas consumption intensity	1,000,000 m ³ /GWh	0.80	1.3
Consumption of purchased electricity	GWh	638.69	511.7
Electricity consumption intensity	GWh/GWh	9.63	15.20
Total consumption of renewable energy	GWh	507.58	459.4
Percentage of renewable energy in the total energy consumption	%	29.42	47.42
Total weight of air pollutants	t	61.61	40.49
Total nitrogen oxides (NO _x) emissions	t	23.41	20.9
Nitrogen oxides (NO _x) emission intensity	t/GWh	0.35	0.6
Total sulphur oxides (SO _x) emissions	t	3.09	1.6

¹⁴ Asset amount of Xiamen and Chongqing manufacturing bases / total amount disclosed in the listing (before consolidation adjustments)

¹⁵ Business costs of Xiamen and Chongqing bases for the year (capex, opex)

¹⁶ Business costs of Xiamen and Chongqing bases for the year / total costs (before consolidation adjustments)

Metrics	Unit	2025	2024
Environmental Management and Resource Optimisation			
Sulphur oxides (SO _x) emission intensity	t/GWh	0.05	0.05
Total particulate matter emissions	t	1.90	6.72
Particulate matter emission intensity	t/GWh	0.03	0.20
Total VOC emissions	t	33.21	32.03
VOC emission intensity	t/GWh	0.50	0.95
Total wastewater discharge	t	55,927.00	327,685.00
Wastewater discharge intensity	t/GWh	838.49	9,752.53
Total hazardous waste emissions	t	4,264.06	3,842.72
Hazardous waste emission intensity	t/GWh	63.93	114.37
Total non-hazardous waste emissions	t	119,481.08	72,326.78
Non-hazardous waste emission intensity	t/GWh	1,791.32	2,152.58
Total disposed non-hazardous waste	t	914.36	794.18
Total hazardous waste	t	4,264.06	3,842.7
Hazardous waste emission intensity	t/GWh	63.93	114.4
Total disposed hazardous waste	t	1,973.25	1,406.97
Proportion of disposed hazardous waste	%	46.28	36.61
Total waste emissions	t	123,745.14	76,169.50
Total waste disposal	t	2,887.61	2,201.15
Total water consumption (production + domestic + landscaping)	t	XX	905,166.00
Total wastewater discharge (production + domestic)	t	XX	284,524.00
Total water consumption	1,000,000 m ³	1.78	1.5



Metrics	Unit	2025	2024
Water consumption intensity	1,000,000 m ³ /GWh	0.03	0.04
Percentage of employees who have received training on specific environmental issues	%	100	100
Percentage of production sites with ISO 14001 environmental management system certification that have been put into operation	%	100	100
Percentage of operating sites with hazardous waste management guidelines certified by HAZWOPER or compliant with ISO 14001	%	100	100
Environmental management system coverage rate	%	100	100
Percentage of operational sites that have undergone specific environmental risk assessments	%	100	100
Circular Economy			
Recycled water consumption	t	XX	2,123.00
Total waste recycled	t	122,206.54	73,968.35
Overall waste recycling rate	%	97.69	97.11
Total recycled non-hazardous waste	t	119,917.20	71,532.60
Total recycled hazardous waste	t	2,289.34	2,435.75
Proportion of recycled hazardous waste	%	53.71	63.69

Appendix

TCFD Index Table

Pillar	Disclosure Requirement	Corresponding Section
Governance	A. Describe the board's oversight of climate-related risks and opportunities.	Governance—Climate and Nature Governance Structure
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	Governance—Climate and Nature Governance Structure
Strategy	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Risk and Impact Management—Climate Risks and Opportunities
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Risk and Impact Management—Climate Risks and Opportunities
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	Risk and Impact Management—Climate Scenario Analysis
Risk Management	A. Describe the organization's processes for identifying and assessing climate-related risks.	Risk and Impact Management—Climate Risks and Opportunities
	B. Describe the organization's processes for managing climate-related risks.	Risk and Impact Management—Climate and Nature Risk and Impact Management Process
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk and Impact Management—Climate and Nature Risk and Impact Management Process
Metrics and Targets	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and Targets—Climate and Nature Metrics
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Metrics and Targets—Climate and Nature Metrics
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Metrics and Targets—Climate and Nature Metrics

TNFD Index Table

Pillar	Disclosure Requirement	Corresponding Section
Governance	A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	Governance—Climate and Nature Governance Structure
	B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	Governance—Climate and Nature Governance Structure
	C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Governance—Climate and Nature Governance Structure, Stakeholder Participation
Strategy	A. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
	B. Describe the effects nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Strategy—Green and Low-carbon Transformation Plan
	C. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Strategy—Green and Low-carbon Transformation Plan
	D. Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
Risk Management	A.i. Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
	A.ii. Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
	B. Describe the organization's processes for monitoring nature-related dependencies, impacts, risks and opportunities.	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
	C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and informing the organization's overall risk management processes.	Risk and Impact Management—Identification and Assessment of Natural Dependencies, Impacts, Risks, and Opportunities
Metrics and Targets	A. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	Metrics and Targets—Climate and Nature Metrics
	B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	Metrics and Targets—Climate and Nature Metrics
	C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	Metrics and Targets—Climate and Nature Metrics